

UNMASKING SOCIAL SCIENCE IMPERIALISM:

*Globalization Theory As A Phase
Of Academic Colonialism*

TATAH MENTAN

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Abbreviations

AFTA	: ASEAN Free Trade Area
APEC	: Asia-Pacific Economic Cooperation
CEFTA	: Central European Free Trade Agreement
CIS	: Commonwealth of Independent States
CSCE.....	: Conference on Security and Co-Operation in Europe
CW.....	: Corp Watch
EEA.....	: European Economic Area
EFTA	: European Free Trade Association
EU	: European Union
FDI.....	: Foreign Direct Investment
FE	: Friends of the Earth
GATT.....	: General Agreement on Tariffs and Trade
GDP	: Gross Domestic Product
IBRD.....	: International Bank for Reconstruction and Development
ICT	: Information and Communication Technologies
IDA.....	: International Development Association
IFG	: International Forum on Globalization
IMF.....	: International Monetary Fund
MNC.....	: Multi-National Company
NAFTA.....	: North American Free Trade Agreement
NATO.....	: North Atlantic Treaty Organization
OECD.....	: Organization for Economic Co-Operation and Development
OEEC	: Organization for European Economic Co-Operation
OSCE	: Organization for Security and Co-Operation in Europe
PGA.....	: Peoples' Global Action
R&D	: Research and Development
TFP.....	: Total Factor Productivity

UN : United Nations
USA : United States of America
USSR : Union of Soviet Socialist Republics
WB : World Bank
WEF : World Economic Forum
WSF : World Social Forum
WTO : World Trade Organization

Preface

This book explores the intersection of two powerful worlds, the world of the academic colonizer (globalizer) and that of the colonized (globalized) in the era of rampant global corporate capitalism. Capitalism in its corporate imperialist form today has predominantly assumed the form of global neoliberalism. This form of capitalism differs in various ways from the regulated, welfare state capitalism of the post-World War II decades. The main features of the global neoliberal order include the following: 1) a high degree of global economic integration including in trade, production, and finance; 2) deregulation and privatization of large transnational corporations and banks; 3) strengthened enforcement of the “rights” of large transnational corporations and banks, such as in the area of so called “intellectual property rights”; 4) reductions in, or elimination of, state social programs that benefit the working class and other popular groups.

As Lenin told us many decades ago, imperialism is not a foreign policy of one or another country, but a particular stage in the history of the capitalist mode of production. The idea that imperialism is a world system is often treated as a fact so obvious that it requires no further comment. Unfortunately, the misuse of the concept of imperialism in much current communist debate is strong evidence to the contrary. To understand imperialism, contemporary world capitalism, it is above all necessary to grasp the dynamism of the capitalist mode of production itself. This dynamism is manifested in a two-fold tendency of capitalist expansion (Betteheim, 1972).

First, there is the tendency to reproduce capitalist production relations and productive forces on a national scale. I say “national scale” because nations or national entities are the best geographical framework of the capitalist mode of production. Lenin noted this when he remarked that the rise of capitalism and the rise of nations were parallel processes. This tendency, also called the tendency to create a national market, acts to break down or absorb all obstacles to capitalist expansion and capital accumulation.

The second tendency is the tendency of the capitalist mode of production to become worldwide, to transcend national boundaries. This tendency internationalizes capital; it acts to produce and reproduce capitalist production relations and productive forces on a world scale.

Imperialism as an international phenomenon means, for example, the unfavorable flow of capital to nations with more developed productive forces from the “under-developed” nations, thereby drawing the latter into the world market, into the unequal exchange between “raw materials” and “finished products” which works to the disadvantage of those nations whose productive forces are “underdeveloped”.

What are the effects of these two contradictory but inter-related tendencies of the capitalist mode of production? Looking at contemporary world imperialism, we can say that the first tendency acts to create in each national entity which is part of the world imperialist system a complex social formation dominated by the capitalist mode of production. In this social formation each of the levels which constitute it, the economic, the political and the ideological, becomes a site of class struggle in which contradictions between the classes, increasingly the proletariat and the bourgeoisie and their respective allies, are fought out.

The second tendency, the reproduction of capitalist production relations and productive forces on a world scale, also therefore reproduces class struggle on a world scale. At the time it gives rise to an inter-related international hierarchy of national entities. This is because capitalism develops unevenly — in some countries productive forces are developing, in others the development of the productive forces is blocked. These developments are determined by the character of the production relations and the differing places and roles assigned to the various national entities by the structure of the hierarchy. This international hierarchy is dominated by a hegemonic power, whose economic, political and ideological strength and influence are decisive for the maintenance and control of the world system.

The structure of world imperialism means that the system as a whole assigns a definite role to each nation included in it, in

accordance with its economic, political and ideological characteristics. Some countries function primarily as providers of minerals and other raw materials for the world market, basic foodstuffs, etc. Others, Brazil for example, or, until recently, Iran, performed a role as political gendarmes, maintaining imperialist relations in South America and the Middle East respectively.

The hierarchy of world imperialism acts to accelerate the development of productive forces in the “developed” imperialist countries while retarding the development (reinforcing the dependency) of nations whose productive forces are less developed (Ake,1982). This is how unequal development operates: to reproduce capitalist inequality on a world scale to the advantage of the bourgeoisie in the “developed” imperialist nations who benefit not only from the exploitation of their own workers, but also from the exploitation of the workers of the world.

The history of the twentieth century has been shaped by two processes: proletarian revolution and national liberation struggle on the one hand, and the struggle for hegemony within world imperialism on the other. The hegemonic power, the apex of the imperialist hierarchy, is occupied by that social formation which, by its economic power, its political-military strength, and its advantageous relations with other elements of the world imperialist system, is vital for the maintenance and reproduction of the system.

Irrespective of the theoretical formulation, the ruinous impact of the West on former colonies was a phased progression through: a) initial discovery and contact, b) population decline, c) acculturation, d) assimilation, and, e) ‘reinvention’ as a hybrid culture, ethnic culture. What has persisted over centuries has been a phased progression articulated as: a) contact and brutal invasion, b) genocide and destruction, c) resistance and survival, and, d) recovery as indigenous people. While Western theories of ‘Whiteman’s burden’, ‘civilizing mission’, etc. were being churned out of academic mills, the lands and natural resources of indigenous peoples were being seized by the colonial state and its owners subjected to layers of colonialism imposed through economic and social policies. Today the majority of the world’s peoples live in an imperialist system in which the hegemonic social formation is the

USA. Among the elements which enable the USA to exercise hegemony are the size and extent of its capital export, the role of the dollar and US capital on the world market, and US military strength and technical superiority in military matters.

The two tendencies we have described, taken together, give rise to world imperialism. Each social formation within it is thus necessarily involved in a complex series of inter-relationships and class and national struggles. The character of any social formation can only be judged then, not just by the balance of class forces within it, but also by its place in the hierarchy of world imperialism, its role in world national and class struggles. These two criteria: the balance of internal class forces and the role and place in class and national struggles on a world scale, taken together, provide the basis for communists to evaluate and characterize nations from a scientific perspective.

An important consequence of this analysis is a recognition of the fact that a country cannot break with imperialism merely by changing its foreign policy or its attitude toward one or the other major “powers.” As Charles Bettelheim (1972) explains:

A dominated country, or a previously dominated one that does not alter its situation in the international capitalist division of labor, merely reproduces its unfavorable situation: the more it increases the production of the products that its “place” assigns it, the more does it participate in the worsening of its own unfavorable situation...

And, he adds, “a country cannot escape the effects of imperialist domination and exploitation except through a long and complex struggle” (Ibid.296).

Capitalism can therefore generally be understood as necessarily expansive. As it produces more and more capital it also accumulates a surplus, which increases the urgency to find new ways of investing the excess capital. It is this mania of needing to spread to new hosts and proliferate that has led many to locate the fatal crux of capitalism in its need to *spread*. It does so knowingly, even at the

detrimental cost of impoverishing millions upon millions and thereby creating a global army of potential adversaries.

Yet by also laying waste to natural resources it further creates its own limits to growth. But it is the frenzy, especially over the last twenty years or so, to eliminate all trade barriers and preventions against investment that has quite benignly come to be known today as *globalization*. By trampling over measures set up to protect smaller or less developed countries, globalization has been a modern *all-access pass* for powerful corporations and the ruling elite. It has allowed them to extend their grasp into unexploited natural resources (mostly in the developing world) and uncover a vast array of inexpensive, exploitable labor (also, mostly in the developing world).

Globalization, the expansion of new markets, is not new in world history. However, the current manifestation is unique as we near world-wide crises of the depletion and even exhaustion of natural resources. This contradiction was recognized by Marx. If the “spirit of capitalist production”, as he wrote, was the immediate gain of profits, than nature or agriculture, was completely antithetical to this drive. Rather than immediate rewards its purpose was the long term production of material needs capable of sustaining generations of human beings. Globalization, today, can perhaps then be seen as a more reactionary state of late capitalism because the horizon of its expansion is now near. In fact, globalization is all of this yet also unable to hide its imperialist mark.

This reality notwithstanding, conventional vulgar economic theory avoids the real questions that are posed by the expansion of contemporary capitalist accumulation called globalization. The distinct phases or stages of US corporate capitalism are: the competitive capitalism of the late 19th century, the monopoly capitalism of vertically integrated corporations in the early 20th, the integrated state capitalism of the postwar period, and then of course, contemporary neoliberal globalization. This is because it substitutes for an analysis of really-existing capitalist imperialism a theory of an imaginary capitalism, conceived as a simple and continuous extension of exchange relations (the market), whereas the system functions and reproduces itself on the basis of capitalist

production and exchange relations (not simple market relations). This substitution is easily coupled with the a priori notion, which neither history nor rational argument confirm, that the market is self-regulating and produces a social optimum. Poverty can then only be explained by causes decreed to be outside of economic logic, such as population growth or policy errors. The relation of poverty to the very process of accumulation is therefore dismissed by conventional economic theory.

In addition, what is apparent today, given the increasing inaccessibility of higher education and the inundating of campuses with corporate influences, is that the worker that education is producing is one literally “manufactured” to be an uncritical, apathetic and obedient consumer. This education is one that can simply be described as “capitalist schooling”. This “capitalist schooling” participates in the production, distribution and circulation of knowledge and social skills necessary for reproducing the social division of labor and hence capitalist relations of exploitation. Not only is the classroom as contested space at stake but the very students who populate them; the would-be consumers or a potentially active political citizenry. The possibilities for public spaces that encourage critical thinking, awareness and debate are fast becoming difficult to find in such societies. The loss of the classroom to capitalist logic therefore threatens the very future of democracy everywhere. These effects can and have led us into the debacle of mediocre administration.

This resulting infectious liberal virus, which pollutes contemporary social thought and annihilates the capacity to understand the world (academic colonization or social science imperialism), let alone transform it, has deeply penetrated the various lefts constituted since the Second World War. The movements currently engaged in social struggles for “another world” and an alternative globalization will only be able to produce significant social advances if they get rid of this virus in order to construct an authentic theoretical debate.

As long as they have not gotten rid of this virus, social movements, even the best intentioned, will remain locked in the shackles of conventional thought and therefore prisoners of

ineffective corrective propositions—those which are fed by the rhetoric concerning poverty reduction. The analysis sketched in this book should contribute to opening this debate. This is because it reestablishes the pertinence of the link between capital accumulation on the one hand and the phenomenon of social pauperization on the other. One hundred and fifty years ago, Marx initiated an analysis of the mechanisms behind this link, which has hardly been pursued since then—and scarcely at all on a global scale. The argument of this book is that globalization as the dominant idea of contemporary bourgeois thinking is false science. Any scientific theory has the following qualities:

Explanatory Power: It explains what happens when one group of people with their own ideas sends messages through the media to a different group of people.

Predictive Power: It predicts that Third World countries' culture will be destroyed and the people will identify with Western views.

Parsimony: We can see a direct linear path from sender to receiver through the media channels and then watch the effects.

Falsifiability: The theory could be proved false should the Third World countries not be effected by Western media and they do not lose their culture.

Internal Consistency: There is a logical flow of events and consequences within the theory.

Heuristic Provocativeness: This theory could lead to new hypotheses such as which cultures are effected more than others (if any) or whether low context differ in the reception of messages compared top high context cultures?

Organizing Power: This fits with what we already know about differences between Western civilization and Third World countries.

A striking paradox thus animates considerations of political economy of globalization in our times dominated by false social science at the service of global corporate capitalism ((Sidhu, Commandeur, and Volberda, 2007; Sklair, 2006). On the one hand, mainstream economics and much of left economics discuss our era as one of intense and increased competition among businesses, now on a global scale. It is a matter so self-evident as no longer to require empirical verification or scholarly examination. On the other hand, wherever one looks, it seems that nearly every industry is concentrated into fewer and fewer hands. Formerly competitive sectors like retail are now the province of enormous monopolistic chains, massive economic fortunes are being assembled into the hands of a few mega-billionaires sitting atop vast empires, and the new firms and industries spawned by the digital revolution have quickly gravitated to monopoly status. In short, monopoly power is ascendant as never before.

This is anything but an academic concern. The economic defense of capitalism is premised on the ubiquity of competitive markets, providing for the rational allocation of scarce resources and justifying the existing distribution of incomes. The political defense of capitalism is that economic power is diffuse and cannot be aggregated in such a manner as to have undue influence over the democratic state. Both of these core claims for capitalism are demolished if monopoly, rather than competition, is the rule. The claim that globalization as the increasing international integration of economic activity leads to prosperity and peace for all is false. Hence, globalization is not a concept that helps us understand the world around us. It is an ideological construct used to trumpet capitalist victory – to conceal the crisis-ridden nature of the system and its perpetual failure to meet the needs of the world's working class. Contrary to popular usage by the media and various political and economic commentators, 'Globalization' is not an objective or neutral term which simply describes the contemporary world economy. It is the theoretical soul of imperialism, marketed as social science.

'Theory is always for someone and for some purpose' (Cox, 1986:207). This statement appears highly relevant when discussing

the Eurocentrism embedded in the academic discipline of globalization since it reminds us that neoliberal globalization theories, as with any other theoretical approaches, developed at certain times and for certain reasons. Keeping that in mind, we will discuss whether globalization is a parochial discipline whose principles should not be universalized. On the one hand, this tendency can be legitimized by the fact that globalization developed in Europe and in the United States, with the latter being the leader in the academic field. On the other hand, its discourse cannot be applied globally as it persistently omits those security and economic issues which are of great concern for most part of the world population. Nevertheless, it appears that for globalization to become more comprehensive and unbiased, it needs to go beyond the Western boundaries towards the “South” or “East” of the world by re-introducing the roles of cultures and identities as essential in the analysis of global politics.

To begin with, this book will show how globalization theory favors a Eurocentric thought by considering both the mainstream and the critical globalization approaches. Secondly, it will proceed by demonstrating, through the use of various examples, that globalization theory also privileges the way Western states operate within the international arena, by pointing out at the necessity of referring to colonial legacies in order to have an unbiased understanding of contemporary security issues. Thirdly, it will show the importance of focusing on representation as an essential tool for uncovering power relations between states and peoples, and it will introduce tenets of postcolonial theory as they offer a deeper understanding of those states relations which are based on imperialism. The final goal is to argue that postcolonial theory can be a powerful means for globalization to become less parochial in its perspective, but also aware of the legacies that past colonial experiences are perpetuating in contemporary global politics.

Therefore, to end this academic colonization or social science imperialism it is necessary to take the following steps: (a) dismantle and expose the falsehoods of this Western history of science; (b) change also the accompanying philosophy of science; (c) use this to construct a new pedagogy, particularly in the hard sciences, and

demonstrate its practical value, to dismantle the imperialistic Euro-American-centric education system; and (d) dismantle the Western power structure at the level of higher-education and research.

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Chapter 1

Introductory: Why Social Science Imperialism?

Introduction

In social sciences it is often difficult to trace the origin of concepts. Concepts, theories and ideas are often products of collective endeavours. It would be extremely difficult to identify who used the term “globalization” for the first time. According to Malcolm Waters (1995) whose book titled *Globalization* is a fine primer, Roland Robertson was one of the early users of the term. More recently, Roland Robertson and Kathleen White edited *Globalization: Critical Concepts* in 6 volumes is a *tour de force* which presents some of the most important essays on this subject.

No matter who coined it first, at the dawn of the 21st century globalization as a concept, as a slogan, as a term is used more frequently than any other terms. In the so-called Third World, from the inflow of foreign capital, technology, workers or “foreign talents”, music, movies, popular culture, almost everything has resonance with globalization. Globalization is a heroic process, globalization is a sinister process, depending on which side of the debate one stands. Some tend to see globalization as a brakeless train crushing everything in its path, others see benefit in getting on board the train towards economic growth and modernization.

Evolution of the Concept Globalization

According to the dictionary meaning, the term “glocal” and the process noun “glocalization” are “formed by telescoping global and local to make a blend” (*The Oxford Dictionary of New Words*, 1991:134 quoted in Robertson, 1995:28). The term was modelled on Japanese word *dochakuka*, which originally meant adapting farming technique to one’s own local condition. In the business world the idea was adopted to refer to global localization. The word as well as the idea came from Japan (Robertson, 1995:28).

According to Wordspy, glocalization means “the creation of products or services intended for the global market, but customized to suit the local cultures.” (<http://www.wordspy.com/words/>). Although the term glocalization has come to frequent use since the late 1980s, there were several related terms that social scientists used and continue to use. One such related word, which has been in use in social sciences and related fields for quite some time is, indigenization.

Some social scientists claimed that social sciences such as sociology and political science, even psychology were products of western social experiences therefore when these fields of inquiry were transported and transplanted to non-European or non-western contexts such as Latin America, Asia or Africa there was a need for indigenization of these subjects. The idea of indigenization has created quite a controversy among social scientists because it raises fundamental questions about the applicability of social scientific ideas and concepts. However, indigenization can be seen as similar to localization. In both these concepts, there is an assumption of an original or authentic “locality” or “indigenous system”.

One of the consequences of globalization is that it opens up doubts about the originality and authenticity of cultures. If one takes a long-term view of globalization, “locality” or “local” itself is a consequence of globalization. There are hardly any sites or cultures that can be seen as isolated or unconnected from the global processes.

Robertson, one of the pioneers in the study of globalization, did not view globalization as a recent phenomenon nor did he see it as a consequence of modernization. The theories of modernization came under serious attack in sociology because of such assumptions as unilinearity and convergence. As our knowledge of the world increased, many writers pointed out that the cultural differences are not all that superficial and nonlinearity and multilinearity are better descriptions of global modernity. Besides divergence rather than convergence seems to have been the consequence of modernization. Yet the divergent cultures and societies can be studied with the help of a globalized social science and there was no

need for diverse, indigenized social sciences. Social sciences to claim scientific status could not afford to forfeit its claim to universality and universal knowledge. Social sciences must be context sensitive but not context dependent. It is in this context that Robertson conceptualized globalization in the twentieth century as “*the interpenetration of the universalization of particularization and the particularization of universalism*” (Robertson, 1992:100 emphasis in the original). Khondker (1994) building on Robertson’s framework argued that globalization or glocalization should be seen as an interdependent process. “The problem of simultaneous globalization of the local and the localization of globality can be expressed as the twin processes of *macro-localization* and *micro-globalization*. Macro-localization involves expanding the boundaries locality as well as making some local ideas, practices, institutions global. The rise of worldwide religious or ethnic revivalist movements can be seen as examples of macro-localization. Microglobalization involves incorporating certain global processes into the local setting. Consider social movements such as the feminist movements or ecological movements or consider new production techniques or marketing strategies which emerge in a certain local context and over a period these practices spread far beyond that locality into a larger spatial and historical arena. Consider print industry or computer industry with a specific location of its emergence has now become a global phenomenon.

Overcoming space is globalization. In this view of globalization, globalization is glocalization. This view is somewhat different from the way Giddens conceptualizes the relationship between the global and the local. Globalization, for Giddens, “is the reason for the revival of local cultural identities in different parts of the world” (Giddens, 2000:31). While in this view local is the provider of the response to the forces that are global, we argue that local itself is constituted globally. Ritzer in discussing glocalization has added another – should I say, redundant – convoluted term “grobalization” to refer to what he calls “growth imperatives [pushing] organizations and nations to expand globally and to impose themselves on the local” (2004: xiii). For Ritzer, globalization is the sum total of glocalization and “grobalization”.

Wong argues, following Wind (1998), that a global company does not mean that it has gone global all the way. There are companies that are part global, part regional or part local involving different domains such as portfolio, supply chain, research and development and business processes. In terms of mode of business practices, there could be independent operations, joint venture or alliances (Wong, 1998:156).

Key Propositions

The main propositions of gloclaization are not too different from the main arguments of a sophisticated version of globalization: 1). Diversity is the essence of social life; 2). Globalization does not erase *all* differences; 3). Autonomy of history and culture give a sense of uniqueness to the experiences of groups of people whether we define them as cultures, societies or nations; 4). Glocalization is the notion that removes the fear from many that globalization is like a tidal wave erasing all the differences. A number of books and articles on the subject of globalization give the impression that it is a force that creates a uniform world, a world where barriers disappear and cultures become amalgamated into a global whole.

The tensions and conflicts between cultures are nothing but the problems of a transitory phase. Ironically, the phase of transition has been around for a long period of time. And as we have entered the third millennia many of the age-old problems of differences of cultures and religion remain. And, 5). Glocalization does not promise a world free from conflicts and tensions but a more historically grounded understanding of the complicated – yet, pragmatic view of the world.

Is Globalization “Westernization”?

Some writers view globalization as the worldwide spread of “westernization”. This view is either erroneous or contains only partial truth. From a superficial point of view, various processes outwardly seem that the world is, indeed, becoming westernized.

One could see the popularity of the western music, movies, and “McDonalds” as examples of westernization. More and more countries are seeing the opening of McDonalds. More and more countries playing the top chart of the pop list of USA and Hollywood movies and US-made television serials (such as, *Friends* and *The Simpsons*) are becoming ubiquitous to the extent that some writers even use the term “Americanization” to describe these processes of cultural transmission. However, a closer look will reveal that these cultural goods have different meanings in different societal and cultural contexts with uneven impact on classes and age groups.

Some of the products are consumed without any modification, others are modified and indigenized to suit the local contexts and there are exceptional situations where the intentions are completely inverted. In the past, many writers found it necessary to distinguish modernization from westernization. Modernization was believed to be a set of cultural practices and social institutional features that historically evolved in Europe and North America, commonly referred to as the West. The need to separate westernization from modernization (in the past) was motivated more by nationalism than pure intellectual reasons, because historically speaking, most of the modern cultural traits began in the West, a historical fact which was difficult to accommodate in a nationalistic political culture. The Western scholars in the nineteenth century were also guilty of making exaggerated claims of western superiority. Max Weber, a German sociologist was correct to claim that the western rationality and science had become universal but his denigration of non-western cultures did not sit well among the larger intellectual community. Many Indian sociologists took pains to delineate the differences between modernization and westernization. Similar discussions exist with regard to so-called westernization of the Ottoman Empire, modernization of Japan since the Meiji restoration of 1868 or modernization of China in the early part of the 20th century such as the May 4th Movement of 1919. In the modernization process, many of the late modernizing societies were borrowing ideas and knowledge and technology most of which were generated in the early modernized societies in Europe. The

geography of the West kept shifting. In the nineteenth century, when Germany was modernizing, the idea of the West was limited to Western Europe only (mainly Britain and France). In some post-colonial situations the demarcation was based more on political expedience than logical or intellectual merits. Good westernization came to be regarded as modernization and bad modernization was designated as westernization. The distancing from westernization can also be understood as a reaction to centuries of domination and exploitation of the colonies by the western (mainly European) powers. However, over time a more objective consideration of

history indicate that many of the traits that spread worldwide originated in certain geographical regions yet as these traits were transplanted elsewhere, they became mutated and assumed different forms in different contexts. For example, parliamentary democracy evolved in England, with roots that go back to *Magna Carta* of 1215. However, as Westminster-style parliamentary democracy was institutionalized in India, Malaysia, and other former British colonies, they mutated in light of the local milieu.

Westernization as a term is not equivalent to globalization. Nevertheless, westernization can be seen as an aspect of globalization. Certain institutional features and cultural traits that originated in the west were put in place in many other geographical regions lock stock and barrel under the framework of global interconnections and diffusion or forced implantation under colonial age. Yet, over time these institutions and practices mutated and assumed new meanings. Therefore, westernization can be seen as the beginning of the process. The cultural features borrowed or imitated themselves mutate in the source countries. Thus, westernization as a category has limited conceptual value. One can associate certain literary forms, genres, and traits as part of the cultural zone we vaguely call “the west”, yet these are mere influences as one can see in artistic, literary, architectural styles. For example, the great Indian film maker late Satyajit Ray was influenced by Hollywood films and the art of film making, but he did not want to replicate Hollywood movies in Calcutta. His movies were modern capturing local themes which he projected with a modern art form and technology. Hence it was truly global, or more

appropriately, global. Writers such as John Meyer (1980) have used the idea of isomorphism (a term borrowed from science, botany, in particular) which means replication of the same form yet separated from the main source. His research has shown that modern education – not western education though it was perhaps modified and institutionalized in the west – has spread worldwide and a similar set of values and practices have emerged in diverse settings. For example, college graduates command more social prestige and respect almost regardless of cultural contexts. Some cultures can give more rewards than others. Globalization shows tendencies towards isomorphism, yet some people may continue to mistake this process for westernization.

Rationale of Study

It is commonly the case that while discussing the transmission of the sciences to regions outside Europe there is ample reference to “European science.” What this implies is a unified whole of European ideas and practices dating from more or less the seventeenth century. If what is meant by European in this expression is a purely—and, yet, ill-defined—spatial reference, then there is not much one can disagree with. But if European signifies or encapsulates the historicity of a specific stage in the development of the sciences, then to consider “European science” as something unified is grossly misrepresenting what happened during the eighteenth and part of the nineteenth centuries in many localities of what has been constituting geographical Europe: Spain, Portugal, Russia, the Scandinavian countries, the western regions of the Ottoman Empire including Greece, Bulgaria, Serbia, Romania and so forth.

This distinction notwithstanding, what we would like to argue here is that a study of the globalization of knowledge cannot be properly understood without the study of the Europeanization of knowledge—especially for part of the seventeenth, all of the eighteenth, the nineteenth, twentieth and twenty first centuries. And a crucial aspect for the comprehension of the processes involved in the Europeanization of knowledge is a

methodological/historiographical shift: to move away from considering these processes as processes of transmission/transfer of ideas and practices from the “centre” *to* the “periphery,” and adopt, instead, the view of appropriation of ideas and practices *by* the “periphery.” Hence, realizing a shift from the view of a relatively passive “emitter” whose preoccupation is the transmission of ideas and practices—more or less intact—over short or long distances, to the view of an active “receiver” whose problem is how to appropriate new knowledge to the local non-European context.

The history of the transmission of “scientific ideas” from the “centre” to the “periphery,” especially during the last five centuries, is a subject that has drawn the attention of historians long ago. In recent years Europe went through profound transformations and these changes created a new context for the re-examination of a host of issues, some of which have been associated with the transmission of the sciences. New nation states came into being, new borders emerged, new institutions appeared, and old institutions have been restructured. These changes have induced many scholars to look again at Europe’s past, and the history of science is one of the subjects to be systematically examined.

The work that has already been done, as well as newly available sources combined with a more open intellectual environment and increases in funding for transnational and transcultural contacts offer an unprecedented opportunity for a critical re-examination of the historical character of science and its institutions in non-European societies. And it is in this context that we have to articulate a number of new questions: How should we try to study the long-standing question of the tension between particular European local practices and the progressive homogenization of an international scientific community? How was this tension particularized within the framework of a Europe aiming to dictate global policies, while at the same time facing the shifting of boundaries among its nations and cultures? To what extent was each non-European local society willing to receive the new sciences and provide them with the appropriate institutional background in this era of globalization? To what extent have non-European scholars been willing to adopt the particular corpus of European

ideas and to organize their collective intellectual activity on its basis? To what extent do scholars, philosophers or scientists originating in a non-European specific society participate in the formation of scientific ideas in the respective scientific centres? And, in addition, how should we deal with the old problem of the transfer of scientific knowledge in a historiographic context offering a great variety of approaches?

Brief Explanation

While the non-Western world resists other forms of dominance by Europe it acquiesces to intellectual dominance, building the entire edifice of its education on the notion that their intellectual values are useless. As such their intellectual traditions and histories are seen as having nothing of value to contribute to present day society. The homogenizing impact of Western domination of institutions of higher learning through the power structure existing in the production, validation and distribution of knowledge resources has led to an erosion of the very diversity of perspective touted as one of the hallmarks of globalization. A number of factors contribute to the continued dominance by Western intellectual traditions and institutions over the production of knowledge in countries formerly colonized by Europe. These include:

1. **Western Educated Scholars:** The fact of Western Education fortunately does not permanently limit a scholar's ability to produce work relevant to her/his society but so many of our scholars for economic and other reasons lack the courage to chart new paths in knowledge based on an examination of other traditions as having at least equally value and use to that coming from Europeans. Exploration of our reality often tends to be confined within boundaries set but trends of European scholarship and systems of conceptualization. Dr. Cheikh Anta Diop, Dr. Walter Rodney, Dr. Marimba Ani, Dr. Naim Akbar and many other Africanist scholars who are often little known or respected because they lack mainstream Western validation are examples of scholars who have demonstrated such courage in their scholarly works.

2. Validation System: There is a vicious cycle which limits the strides of many Non-European scholars to produce work which is relevant to their society and to freely examine the knowledge resources of their own societies and heritages as viable sources and points of reference for examining today's problems or forging new and creative concepts in attending to the present and future. This cycle revolves around the validation system dominated by Western institutions. Because many scholars are rated based on their publishing record in "prestigious" (Western) journals the nature and content of their research is geared towards or falls within the requirements of these journals. Also scholars tend to reserve their best research for these Western Journals thereby depriving their own journals of carrying such research and increasing their (the journals) own prestige and ability to provide validation for their indigenous scholars as well as other scholars. Hence, the vicious cycle!

3. Dependence on European Conceptual Models: As a consequence of the Western Education of some of the scholars, their dependence on Western institutions for their academic validation and the general structure of Intellectual dominance to which many of our scholars acquiesce there is sometimes too much of a willingness to uncritically adapt Western conceptual models for analysing Non-European realities and whose interest may be in many ways at odds with or at least different from that pursued by the European institutions. It is also important to note that for their own reasons, it might be true that some of the European scholars who look critically at European reality and hold up a mirror to its psyche do not figure highly in the mainstream which itself figures so prominently in our institutions (far less those Non-European scholars who greatly depart from set boundaries). As such, in addition to studying ourselves and those with a similar reality and challenge as us, it is valuable to study Europe but not necessarily as prescribed by Europe.

4: The Economic Exploitation of non-Western societies: Being as they are in a neo-colonial era where most of their societies are still very much being exploited by structures established, evolved and repackaged by the West for that purpose our countries

are thrust (although not irretrievably) into a relationship of dependence on European institutions and as such are constrained in terms of the range of research, knowledge and perspectives which could be pursued in our Universities and consequently what is formally taught in our other educational institutions. Further non-Western societies are also constrained in terms of even properly implementing or incorporating new knowledge relevant to us in the development of our societies. This results in a sort of debate between two specialized units (i.e. the academic establishment and the political directorate) which ends in a continuance of the same i.e. tones of knowledge produced and stored in journals (accessible by the dominant Western partners in the Academic relationship) but not employed in the service of the very societies in which they are produced; societies yet to acquire the economic and political freedom to make better use of more progressive research.

This contradiction between political will and knowledge production perhaps could be addressed if and when we decide to apply our various institutions and sectors toward actively relinquishing our dependence on and dominance by the West in all areas of our societies rather than claiming to be doing so (in printed rhetoric) without any substantial evidence of this interconnection in actual reality. As such it appears that many non-Western universities are knowledge production mills largely in the service of describing and analysing ourselves for the purposes of others and playing "*belellesb*" (waving food with no intention of sharing) with others.

This Western dominance is further compounded by the flight of many of our scholars to the actual Western Universities to work. Like many other areas we are offered the silly consolation that "one of ours" has reached "prominence" working for the West or has been given this or that award by the West with little further evidence of what relevant benefit can accrue to our non-Western societies. This asymmetric relationship in terms of intellectual harvest is not restricted to academia but can be extended to literature and other forms of expressive art and it may require the same holistic approach to topple the boundaries and strictures build up around our relationship to ourselves and the world based on this

relationship. As non-Western world continues to depend on Western sources to provide it with updates on developments concerned with dismantling their dominance, the societies continue to remain largely ignorant of many developments of note which concern them. Is it even a worthy goal to pursue the path and definitions of “development” modelled after ones who have unleashed so much subjugation, marginalization, dispossession, exclusion or discrimination and destruction on other peoples as well as on the wider earth?

The attempt to decolonize knowledge, the seats of academic knowledge and the structural neo-colonial relationship it represents is therefore nothing new and perhaps has been around for as long as Europe and her children have been on its arrogant mission of spreading its knowledge traditions complete with cultural, religious and other baggage to other parts of the world where they have sought at the same time to dominate and exploit for its material benefit. Since many Non-European scholars look predominantly at and to the West and less to themselves and each other for means of creating and understanding the world these societies have largely remained in a subordinate position to Europe both in terms of knowledge and in other related areas of society and have also failed to develop from their own roots and relevant to their own realities. Here lies the charge against academic imperialism or academic colonization as the live-wire of empire.

Let's consider some theoretical aspects first by stating categorically that an Empire is not *ipso facto* justification of itself. It is a moral question that Historians should ask, whether freedom and liberty of a nation is an ideal worth cherishing for human societies, or an empire of a nation-state enveloping others is desirable. Where the lines of balance actually get drawn are facts of History. Deriving from it is the question whether a nation is more efficient or an empire. This requires multidimensional analysis. Economic analysis is only one aspect of such analysis and pretty insufficient in understanding political, social and cultural aspirations.

Political theorists of past have eulogized the ideals of city-states to that of nation states. The state deriving from contract has

attracted philosophers, and revolutions for national liberty have inspired generations. At the same time, the historic process has seen emergence and decline of empires. Creation and fragmentation of empires has been a continuous process till late twentieth century – whether it be actual territorial control or spheres of influences. Except for rhetoric, there exists no justification that political empires are desirable. Whether they are efficient from economic point or if beneficial, then to whom are further debatable question. Such issues get compounded in issues of imperialism where economic motivations take up disproportionate considerations. This is fairly clear whether it be the British Empire or the alleged American Empire. Political and military intervention brings about disproportionate economic windfalls compared to rule based free trade or free market regimes. Powerful nations are too impatient to earn their profit by mere trade and investment or other instruments of civil society. Also useful to consider are some dimensions of our debates on imperialism.

One, Imperial-colonial encounter is often seen in terms of either-or. The defenders of imperialism would tend to see good things and ignore the ugly dimensions, while those opposed to imperialism would see everything imperial as despicable. However the validity of such assertions tends to become rhetorical in form of eurocentrism or third-world nationalism. This becomes particularly nasty when the Historian manipulates the data as a skilful statistician to marshal their arguments.

Two, when these colonial nations gain independence, it is expected that there would be sudden dramatic positive improvement in various parameters compared to the colonial times. This is at best optimism. Any nation that undergoes rapid political transformation and its consequent social and economic adjustments would often lead to dips for short or longer durations. The long years of colonization would have anyway taken away the vitality while creating vested interests. These would jeopardize the smoothness of political and economic developments.

Three, it is taken as an axiom that technology is non-political, and transformation of scientific know-how and its conversion to deployable technology is politically neutral. This is hardly the case.

In reality, technology is tightly bound to the political interests and is a vital instrument of the imperial toolbox.

Four, the statement that Ferguson (2003) makes—“...given that the British imposed superior economic institutions wherever they ruled...” This is a dimension of mythic assertion. What are the criteria that one set of economic institutions are superior? The scientific ethics as developed by Adolf Wagner and Gustav Schmoller seems more convincing than orthodox economics. While orthodox Economics seems ahistorical as it would hold true even in absence of state- as it requires only individuals who exchange commodities, in reality every economic institution is a product of the customary and legal regulations specific to the society. If Ferguson is dogmatic on his assertion, then his view is anti-plural verging on economic fascism that sees only the British model as worth emulating *and everything else as inferior* (my emphasis). Moreover, from the colonial perspective the economic institutions that the British (and other imperialists) created were nothing short of being exploitative for the colonies.

Five, Ferguson’s article puts the wheel backward by using the globalization of current times to juxtapose it on the British Empire, and seemingly making Anglo-globalization a driving force towards globalization of those times, and strangely he finds a simple non-contextual correlation of IMF prescriptions to British Economic Policy. However, he has skilfully avoided the fact that too often British itself acted as a protectionist nation vis-à-vis its colonies. John A. Hobson wrote in *Imperialism: A Study* (1902) “Imperialism repudiates Free Trade, and rests upon an economic basis of Protection”, and also spoke of the increasing military and naval expenditure of Britain since 1884 as insurance premium for protection. Moreover, Britain’s trade with its colonies as a proportion vis-à-vis its trade with other countries in the latter half of the nineteenth century either remained stagnant or declined, which clearly contradicts Ferguson’s ‘unequivocal’ claim that ‘policy of free trade was beneficial...to her colonies’.

Interesting to note is that the ‘astounding’ result of Anglo-globalization was free trade, mass migration, and ‘unprecedented’ overseas investment. The British in fact monopolized trade and

acted as a disincentive to free trade by coercing the natives to trade through the British. This comes out stark in Bengal in the mid eighteenth century. He has skilfully left out the dimension of slavery indulged in by the East India Co particularly in Madagascar, and considers the movement of semi-slave indentured labourers (to Fiji, Caribbean etc.) as positive dimension of ‘international mobility of labour’; it is a matter to ponder if these were part of the British ‘superior economic institutions’. To the issue of ‘unprecedented’ overseas investment, take the case of the ‘immense’ railways in India, Ferguson misses the point completely by suggesting as if the investment was open ended. In reality, this investment came with 5% sovereign-guaranteed return by government of British India – “...it was immaterial to [the investor] whether the funds that he lent were thrown into the Hooghly or converted into brick and mortar....the East India Railway cost...are the most extravagant works that were ever undertaken” (Massey, p.248). Even taking into account the foreign investment in totality, the British capital investment in India was small, and excluding the guaranteed investments in railways and public debt, negligible – “the foreign-owned capital in India was not imported from Britain but was generated within India and that India was throughout this period a net exporter of capital (Chandra, 1979, p.98).

Theoretical Considerations

There is an intellectual and political context of globalization. Hard on the heels of George Bush’s new world order rhetoric (Mentan, 2010), a term emerged in the early 1990s that was soon to become an intellectual and political buzzword. I am referring, of course, to globalization. Simon During (1998, p.32) in a recent essay suggests that in the analysis of contemporary society and culture (globalization) displac(ed) postcolonialism and its twin, postmodernism. In terms of their political and ideological effects, theories of globalization displayed continuity, rather than a break, with postmodernism. Where postmodernism had its origins in literary and cultural studies, globalization emerged from the social sciences and in various ways confirmed, via political economy, the

speculations of postmodernism. In the postmodern vision, nation-states and nationalisms, as much as classes and class antagonisms, were claimed to be a thing of the past.

For the new globalists, in like manner, the nation-state ceased to have any meaningful political, economic or cultural significance, as political theorists like Susan Strange and Vincent Cable (1995) argued. The erosion of the nation-state and the consequent homogenization of national cultures, in the neo-liberal rhetoric of globalization, was a necessary prelude to realizing Bush's new world order. Thus Tim Congdon (1988) wrote in *The Spectator*:

"Economic nationalism, one of the most powerful and destructive forces in the twentieth century, is becoming obsolete. Trade and finance are so increasingly international in character, and business strategy for large companies is so totally globalized, that the idea of the nation-state is losing its relevance. ... Over time military antagonisms between nations will become literally absurd as the separateness of nations breaks down and eventually becomes meaningless" (pp.21-5).

The flip side of this claim, of course, was the notion that nationalism today can only play a reactionary role, standing in the way of freedom and democracy. The emergence of virulently chauvinistic nationalisms in the Balkans and ethnic particularities in Central Africa only served to confirm these sweeping generalizations. Given these wholesale dismissals of nationalism it is not surprising that a novel like Mo's *The Redundancy of Courage* (1991) should remain unacknowledged as a staunchly anti-imperialist text. Its representation of resistance, while avoiding the pitfalls of nationalist essentialism and authenticity, represents the shifting margins of cultural displacement (Bhabha,1994) not as an enabling condition of resistance, but as a profoundly alienating and debilitating experience.

Furthermore, the national dimension of the struggle is not articulated by globalization theoreticians primarily through any prior commitment to the nation form; rather, it is a condition imposed on the colonized by the contingencies of their struggle. In this arena the national becomes a name not for an ethnic chauvinism, but for its opposite: i.e. for solidarity with others involved in the same

struggle. This new imperialism, a neo-colonialism that is fast resurrecting the discourses of the old colonialism, requires a sustained cultural and political response.

What is Imperialism today?

It is often said that imperialism no longer exists; that is something that belongs to history. There was a Roman Empire and a British Empire, and when an era of imperialism is spoken of, it means the period between 1880 and 1940 when the European great powers tried to grab each other's colonies. When imperialism is spoken of, it means relations of rule between rulers. One state subjugates or annexes other countries. This is the idea of imperialism. All this is no longer. My argument is that global capitalism is the centrepiece of modern-day imperialism. Global capitalism, as we are now experiencing it, has a number of important characteristics which make the imperial adventures of the US so particularly relevant.

Today there is respect for other states as enshrined in international law. There is international law and peace. As a first objection to this claim: the situation today is not that incredibly peaceful. Intergovernmental relations are also decided by force today, and the Europeans, the Americans and others have to constantly defend their peace-loving community.

Every state sees itself threatened by the others, and each claims that it only defends itself against the others. If it were true that each state is only defending itself, then this would only be a big misunderstanding. If it were true that all states are merely defending themselves, then they would be able to leave each other alone. All the same, that is what we are told: NATO is needed only because of the aggressive policy of the Soviet Union. For thirty years, NATO was just there to defend itself. The Soviet Union has disappeared; not NATO. The alleged reason why NATO was needed is gone, but the alliance for defence has not gone away and is today more "on the go" than ever before. It will continue to defend (for example) freedom in the Hindu Kush, says the former German Defence Minister Struck.

And not only there! The German military is in at least five locations throughout the world and generally is there only to defend itself; and indeed against others who, interestingly, also only defend themselves. In the days of the Soviet Union, it defended itself against the threat of the West; today the Taliban defends its way of life in Afghanistan. Al Qaeda defends the traditional Islamic lifestyle against penetration by the superior Western means of business and power. Each one defends itself.

Imperialism needs to be defined scrupulously if it is to make any sense at all. The imperialism we all face today can be seen as part of the world of empires, which go back as far as history will take us. This new imperialism is special and unlike any empire that has gone before. There is one key component of imperialism that does need to be identified separately and yet is often used in the same breath, i.e. Colonialism. Colonialism is the process of invasion by a hegemonic power, which either rules the country in its own interests or lets it be ruled by the indigenous population as a proxy government, but again in its own interests. During the last two centuries, the imperial powers established Colonialism for their own ends, first in the 1880s and, more recently, it is happening again with the invasion of Iraq and Afghanistan.

Colonial invasions are therefore part of the Imperial expansion that exists everywhere, but they need to be understood as a part of the total process. Over the last two hundred years Imperialism has been the system of world power used by dominant states with the purpose of controlling resources in their own interests. These interests vary from raw materials to markets, and cover a wide range of factors, which have altered considerably over time. Whether we are talking of today's Imperialism or of that of the last two hundred years, it is worth elucidating briefly some of its key components:

- The system of Imperial rules has changed and is changing all the time. Although the hegemonic power has now changed hands from Britain to the US – in itself not a minor matter – Imperial rule is still deeply imbedded in Capitalism. So far as the hegemonic power is concerned, Imperial expansion and Capitalism are part and parcel of the same system. Capitalism, as shall later be defined, is a rapidly changing and dynamic system.

- Hegemonic Imperialism is competitive. Because the system is dynamic there has always been, sooner or later, another power competing with the dominant one at any moment in time. Firstly, in the 1870s Germany started catching up with Britain. The 1914–18 war was Britain's attempt to subjugate Germany, but the result of this action proved to be quite different from the original intent. Then the Russian Revolution produced a new competitor in the fight for hegemony; this brought about the Cold War between the US and the USSR, which ended in 1989 when the USSR collapsed.

Today the parameters of the Imperial struggle are not yet defined sufficiently to know what the future will bring. China's economy, which is growing at a furious pace, will sooner rather than later clash with that of the US. Internationally, Islam, which I shall not define here, is also attempting to create a different kind of society demanded by the hegemonic US.

The Imperial struggle between nations and between different societal systems is part of this process and is a key component of today's Imperialism.

Why Study Imperialism?

Even though empires don't last forever, they often leave behind a lasting legacy of changes in the forms of political, economic, and cultural influences. We study empires, then, to help us understand why the modern world is the way it is. For example, hundreds of millions of Latin Americans today speak Spanish and Portuguese because, five hundred years ago, their ancestors were conquered by Spain and Portugal. The Islamic Empire spread its religion from Arabia to Morocco to India. Even though this imperial expansion occurred over one thousand years ago, the empire's religious influence lives on. Despite Islam's origins on the Arabian Peninsula 4,500 miles away, Indonesia, in Southeast Asia, has the largest Muslim population today. These far-reaching and long-lasting influences make sense when we understand the history of empires. And, remarkably, in the modern era, England, a small island nation on the periphery of Eurasia, came to rule over the most impressive

empire of all (See Map of Ancient European Colonial Empires below).



The fact that England became a dominant world power through its rule of the British Empire, the largest empire in the history of the world, baffles us even today. How did a small island country (about the size of Oregon in the United States of America) on the far edge of the Eurasian continent come to rule over one-quarter of the world's land mass and population? It must have had some unusual advantages over every other country.

Certainly, the wealth and technological advances emerging from the Industrial Revolution contributed a great deal to the success of the British Empire, especially in the nineteenth century, when England first industrialized. However, the first European colonial empires, and their increasing control of global trade, began before the Industrial Revolution, so the answer must be more complex. When and why did European imperial dominance take form? And why didn't powerful Asian countries such as China or India conquer Europe instead of the other way around (See Figure 1-European Colonial Empires)?

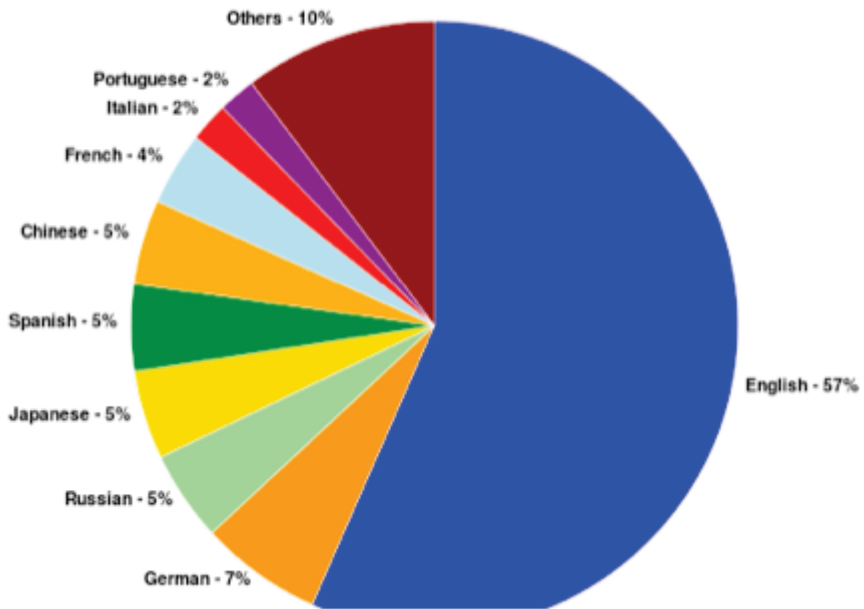


Figure 1: European Colonial Empires

Studying modern empires also helps us to learn about the origins of the uneven distribution of wealth and technology in the world today. In 2010, Europe and the United States—often referred to as “the West”—made up only 15 percent of the world’s population yet controlled 53 percent of the world’s wealth (“Global distribution of Wealth”). As we learned in the Industrial Revolution chapter, it’s no coincidence that these same countries have been at the fore of technological revolutions that occurred in the last two centuries. In 2010, English was the dominant language of the Internet and computer programming. Despite the relatively small number of native English speakers in the world compared to Chinese or other languages, there are more English language websites than any other language (“Internet World Users”). Why are Europe and the United States today so wealthy in contrast to the rest of the world? We will find that competition, innovation, greed and luck had much to do with “Western” dominance (Figure 2-Distribution of Global Wealth).

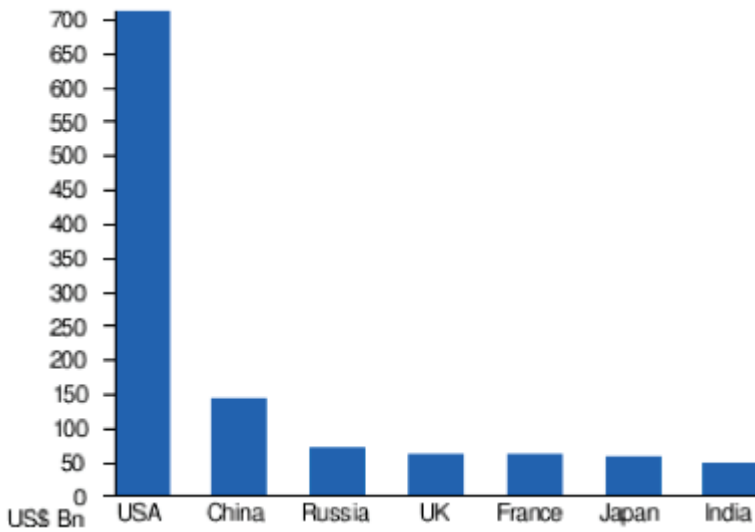


Figure 2: Distribution of Global Wealth

Finally, we study the rise and fall of modern empires so that we might learn from the mistakes of the past. The United States is, thus far, the dominant global power of the 21st century, so Americans in particular would do well to understand the history of modern empires. Although the United States has rarely taken over countries to govern them formally as colonies, American military and economic influence may be the most far-reaching in world history. In 2011, for example, the United States spent 42.8 percent of the military expenditures of all countries in the world (“World Military Expenditures”); that’s just over 700 billion dollars in one year of U.S. military spending—more than the next 14 biggest military spenders combined and almost 400 percent more than the next-largest spender, China (“List of Countries by Military Expenditures”). Perhaps most surprising of all, the United States maintains soldiers in over 150 countries. Why is American military spending so high in contrast to the rest of the world? What political, economic, cultural, and moral lessons can Americans learn from the history of modern empires? And, has imperialism made the world a better place? Can it ever?

Elements of Today's Imperialism

The system of domination comprises the following elements, which will be expounded in the next section:

- Capitalist Accumulation or Globalization
- Domination of Finance
- Trade and Investment as Imperialism
- Imperialism, Capitalism Technology and Science
- Military Power
- Ideological Control

Struggle for Imperial Dominance: 1815 – present

In 1815, with the British defeat of Napoleon at Waterloo, Britain was the world leading power. Over the next hundred years that power was extended across the whole world. Conscious of their own superiority, Britain's ruling classes developed its institutions in finance, trade and investment, as well as its military power and the devices for buttressing its superiority on a worldwide scale. By the beginning of the twentieth century, Britain had harnessed the technological achievements of Capitalism to dominate the world. By 1900 she appeared unstoppable, and no one who understood these things thought otherwise.

However, twenty years later, by the end of the 1914–18 war Britain was exhausted, its gold reserve had all but gone to the US to pay for the war, and millions of her young men were dead. Germany had been the new competitive power in the decades before 1914, and the war was intended as a knockout blow to reassert British ascendancy. Not only did this fail, but the war led to the Russian Revolution and, whether the revolution was waiting to happen or not, the war provided the stimulus for it.

Suddenly there was a new competitor. The new Soviet empire rejected the Capitalist system and nationalized its own assets without compensation. To this day, for Capitalists the greatest sin remains nationalization. The Soviets were the next threat to the new hegemonic power. The manifestation of this new threat did not come fully to the fore on the international stage until after 1945. The 1939–45 war, when the Europeans and then the Japanese—the major Capitalist powers—tore themselves apart a second time and

lost millions of lives, ended with the peace treaty in 1919, which was meant to punish and impoverish Germany.

By the end of the Second World War, the US was not only certain of its superior status in the world, but it was also willing to use its muscle to promote its own interests. In 1944, the Bretton Woods agreement set up a new international financial system with the US dollar as the sole trading currency, replacing the pound sterling. The period from 1944 to 1989 saw the United States fight to the death to destroy the USSR in every manner it could conceive bar a nuclear war. Every oppressive dictator, however corrupt, was supported by the US as long as they espoused the anti-Communist cause.

The final blow occurred in Afghanistan when the Pakistani government decided that the agnostic Soviets were a greater threat than the Capitalist West. US money and arms, as well as those of other countries, were pumped into the Pakistani secret service to fund a jihad against the Soviets. It succeeded and, at the time of writing, the USA is at present attempting to undo all the harm that resulted from that particular operation. Islamic Pakistan chose that option for ideological reasons, and the price was very high. In 1989, the USA appeared to be the only dominant power in the world, and people asked themselves if the Americans would behave benignly. These questions were asked by people who did not understand Imperialism. The dominant power at any one time wants to be in control, wants to enrich its ruling classes, and to be seen and feared by the rest of the world. In today's world there is no such a thing as a benign Imperial power. The challenge from China is still an unknown quantity. The challenge from Islam takes many different forms: bin Laden who is supposed to be in the deserts of Afghanistan; the challenge to the US colonial experiment in Iraq which at present is a daily occurrence as the Islamic State of Iraq and Syria (ISIS) conquers territory, slaughtering, maiming and raping as it cruises along; the new prophets arguing for a revolutionary Islam; and the powers that be, which are attempting to train future Islamic leaders who reject everything coming from the West. There are many leads, but no clarity so far.

Capitalist Accumulation or Globalization

Let's begin the analysis of Capitalist-led Imperialism with a look at the drive towards profit and accumulation, which is at the heart of territorial expansion. The bald logic of capitalism is the accumulation of wealth which, when combined with the continuous revolution in science and technology, has allowed a tiny proportion of the population to accumulate wealth beyond dreams for each new generation over the last two hundred years.

The drive to accumulate personal wealth, and through it political power, is an aphrodisiac that is hard to overemphasize. At the beginning of the twenty-first century, wealth of dizzying heights became possible for a tiny handful. The banks, oil companies, new digital companies and companies associated with basic products, such as water and food, straddle our world. It is the logic of ever-increasing wealth that has driven both the Colonial and Imperial expansion of the leading nations over the last two centuries.

And as these companies penetrate every global corner, so the nation state that gave birth to these companies needs to protect them with its armed forces, to provide conditions for them to invest in, and to move in and out of markets freely, with no responsibility for the consequences. A world system of stable finance, free trade and free movement of capital are the necessary conditions for the accumulation of capital on vast levels. The argument around whether this measure helps countries to 'develop' their own people and resources is relevant only to the Imperial logic that it needs to be justified. The very logic of accumulation is both global and imperial.

The term 'capital accumulation' is more often formulated in the less expressive term 'globalization'. At the centre of the process of Imperial expansion and control of the world's resources is the enrichment of the Imperial countries' companies, such as banks, insurance companies, manufacturers, medical companies, and many others. There is a trickle-down effect, and the relatively wealthy middle classes throughout the Western world are the crumbs from the overall accumulation of wealth of the world's ruling classes. It is easy enough to see and to understand the accumulation processes inside the Imperial nations themselves. Here you will find three or

four major companies selling food, with the same number running bookstores, for instance. In every field of sales and production, the accumulation of capital will have reached such a peak that smaller companies will have been gobbled up into the larger whole. In UK, there are only four companies that sell 90 per cent of all food consumed by 55 million people.

In all the European countries and in North America the processes of Capitalist accumulation are obvious. In many countries of the Third World these processes will not have reached the same degree. Here you will still be aware of the immense numbers of small traders, often selling the same goods but in a huge variety. The pressure on the Western companies to expand abroad is huge. In most cases the opportunities for expansion in their home country have reached saturation. If they are to maintain their profits they need to expand abroad. This point too needs no emphasize. Capitalism involves the constant search for new markets in order to develop new profits.

The end of Apartheid in South Africa is a recent example of this process in action. Huge monopolies, gold and diamond businesses, and power had been built up behind the tariff walls created by the Apartheid system. The market for their products was saturated and, without altering the distribution of resources and enriching the local people, these companies had nowhere to go. They needed to break down the walls surrounding them, which were the result of a world boycott of their products. They wanted to be world companies, not just South African ones, and to achieve this white monopoly power was broken.

All companies expanding outside their national boundaries remember the Soviet era and fear that their assets may be nationalized. They have looked for protection to the major institutions already mentioned, the IMF and the World Bank for instance. First, the IMF needs to prise open the borders of the country to allow in new investment without hindrance; once there, businesses need protection from nationalization; and finally they need the freedom to export their profits without undue taxation, as well as the freedom to remove themselves whenever they wish.

Wherever they have a foothold, international banks and car companies will appeal to the instincts of acquisition and greed, whatever the sensibilities of the religion of the countries concerned.

Today the US aggressively supports the worldwide expansion of all its major transactional companies. From the Disney Corporation to Bill Gates's Microsoft, the US will do whatever it takes to penetrate the barriers of national government protections. Capitalist and global accumulation of capital is at the very core of the Imperial globalization. Without understanding this process, which sucks up surplus wealth wherever it goes, increasing the wealth of the elites, but leaving an ever-increasing impoverishment of all those left out of the process. Even the World Bank's last ten-year study on world poverty accepted the fact that poverty had significantly increased. The facts are plain to see: by itself, development through transnational corporations is not the answer to growth and development.

Domination of Finance

As discussed earlier, the accumulation of capital has certain fundamental global requirements. The first one to be outlined here is the system of world finance. No subject is as little understood as the world's financial system. First the pound sterling and now the US dollar have dominated our world trading system which stands both as the symbol and the actuality of hegemonic control. It is not complicated and has to be clearly understood by all those who read this short treatise.

In 1844, the British created the first world central bank and the world's first international currency system. In its essence, a sterling note was exchangeable for a given weight of gold. What matters is that the Bank of England stood surety behind everyone who traded in sterling.

What this meant was that the Bank of England needed to hold sufficient gold reserves so that in a crisis it could always have enough reserves to maintain confidence in sterling. And that meant that, overall, Britain's trade had to balance positively: that is, it had to export more than it imported so that there was a constant flow of gold into the central bank. The result for Britain was that it was

the very centre point of world trade for on hundred years, and that London became the centre of the world's money markets, with huge financial benefits to its ruling classes.

This entire edifice came tumbling down during the 1914–18 war. The war went on for much longer and with greater intensity than anyone had imagined, and Britain's war needs were paid for by credits to the Americans. And, although the British Exchequer tried very hard to return to the gold standard in the 1920s, Britain had been toppled from her dominant position. The war had weakened her for all time in terms of Imperial ambition. Military overreach had destroyed in such a short time what had once been an unassailable position.

The US and the World Dollar

The US overtly took over as the world financier at the Bretton Woods agreement in 1944. Very simply, the US dollar was now fixed to a certain weight of gold. This system was adopted by all the countries in the world as the system of financial control. Then, in 1971 the US unilaterally decided to come off the gold standard and allow the dollar and the currencies of all the other countries to float in the world's money markets. Floating meant that demand and supply simply decided the value of one currency against another. The US dollar, not surprisingly, remained supreme.

But the US no longer needed gold in its central bank in New York, and that meant that, for the first time in world affairs, it did not need to balance its outgoings and income of money. From 1971, when a country earned too many US dollars, the US Treasury simply offered them a US Treasury Bond and thus exchanged the bond for the surplus dollars. Most other countries, of course, had to balance their payments between exports and imports, and if they did not they were forced to borrow with very unattractive terms.

The US could now spend abroad much more than it earned from its exports. In fact, it could now afford to go to war with any country thanks to the dollars that that country and other countries had spent in payments for US imported goods. We are all paying for American excesses abroad.

In simple terms, it is rather as if I earned \$100.00, spent \$150.00, and then bought back with a bond the excess \$50.00 and spent it again. A quite extraordinary system, and it may be the Achilles heel of the present US Empire.

The system of finance on a global scale is, unsurprisingly, organized in the interests of the major power of the day. At the beginning of the twenty-first century we have a deeply unstable situation whereby the US alone is able to import vastly more than it exports and to consume therefore much more than it produces. Some superficial observers argue that this is a major benefit as it allows weaker economies to import into the US economy more than would otherwise be possible. These arguments assume that the system of world finance will be forever as it stands now. But as we have seen it will not always be so. Should, for instance, China, or a group of countries, decide to trade in their own currency, they would sell their US Treasury Bonds and create immediate chaos in the US economy, and thereby possibly bring the whole edifice down. Such ideas are being considered as I write.

Free Trade as Imperialism

Trade and overseas investment are key planks of the Imperial pantheon; the foundation stones of Capitalist accumulation on a world scale. Dominant Imperial countries have always argued that free trade is in the interest of all and, within their powers, have imposed these ideas on more vulnerable economies. Readers of this paper will not be surprised to hear that my opinion is that these arguments are false, and are known to be false. Yet the most powerful institutions today are putting these arguments forward.

All the major powers today have developed their industrial power base behind tariff walls, without exception. The Japanese cut themselves off from the world of trade and Imperial powers in the 1860s for forty years, the Americans had the advantage of developing their industries at home because of the cost of transport across the Atlantic and did not open their borders to free trade until 1945, the Germans consciously protected themselves after unification in the 1870s, and so on. The Germans and Americans

had their own theorists, Frederick List and Daniel Raymond, arguing at the time for protective barriers.

It is really quite simple: major countries start promoting free trade when their own industries are using the most up-to-date technology and weaker countries' industries cannot compete. The arguments are openly two-faced. Both the EU and the US have failed to move into free trade on farm goods, while many weaker economies have been forced down this road. Today the most powerful international organizations, the World Bank, the IMF and the WTO, all propound the arguments for free trade. These institutions have power behind them. Once a country gets into difficulties with their balance of payments, their lending policies depend on opening up the weaker countries to free trade.

The evidence is striking. The argument goes like this: if you open your economy to free trade it will grow. In the 1960s and 1970s when most countries still had many forms of protectionism, the world economy grew by 3 per cent, and all the regions of the world grew by 2 to 3 per cent.

By the 1980s and 1990s when the free trade policies began to hit, world growth had dropped overall to 2 per cent and the weaker regions of the world were dropping behind even further. Latin America was growing at 0.6 per cent, the African continent at -0.7 per cent, and the Middle East at -0.2 per cent. Free trade was catastrophic for many of the weaker countries and regions of the world.

The free trade argument will be with us for long years yet to come. The arguments are of worldwide importance. Not surprisingly, over the last twenty-five years the most successful country in terms of regular annual growth has been China. And equally not surprisingly, China has had a positive balance of payments, and therefore has not been pressurized to open its borders and has not followed the maxims of the great Imperial powers of the day.

Finally, let me introduce the agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). TRIPS is quite literally a new form of property, it stands for Trade-Related Intellectual Property. You will notice that at the beginning of this

document there is a copyright notice that gives me, the writer, ownership of the document, which I then give permission to others to print and sell or give away. Writers have long been recognized in a patent law worldwide. Patent laws have now been vastly extended to cover the digital world, protecting the digital industry. You are not supposed to borrow or give away software you have bought. You are certainly not supposed to sell it either. Of course, TRIPS has led large numbers of people to act illegally, and it has been designed to monopolize the production of the digital world. And, just to add insult to injury, the monopoly of the medical world, medicines, is close behind. These industries are mainly American. Free trade is for the poor; the rich monopolize when they find it is in their interest as TRIPS so obviously illustrates.

Imperialism, Capitalism, Technology and Science

The driving force of the entire system is new technology. What makes present-day Imperialism different from that of previous empires is the struggle for profit and the driving forces of the new technologies. I can best illustrate technology as a driving force by reference to a few of the awe-inspiring changes that have occurred in the recent past. In every case, previous generations could not have imagined, even in their wildest dreams, the changes that have occurred. Let me illustrate:

- The steam engine: The combustion engine was initially developed in England to draw water out of coal mines which were getting ever deeper. Once wheels were added and rails laid, the modern-day railway was invented. Suddenly, as if in the twinkle of an eye, people could travel at thirty miles an hour, and within decades the invention had spread to many parts of the globe. In the US, the great prairies were opened up and cheap corn was being sold throughout Europe. The railway literally revolutionised transport as nothing had done so before.

- The electric light: The use of the light bulb created daytime twenty-four hours a day. Previously, everyone's life had been determined by the hours of day and night. Suddenly, human beings were able to work and be productive throughout the hours of night.

- Weaponry: The same huge leaps in technology occurred in weaponry. The major Imperial power realised very early on that the research and development in superior weaponry was the sine qua non of world dominance. The repeater gun, the Gatling gun that would fire bullets repeatedly, enabled a single gunner to drive back and defeat hordes of people armed with the traditional weapons of the region.

- The Gatling gun represents, symbolically the use of the superior weaponry that has characterised world dominance ever since: from nuclear fission and the atomic bomb to the present day whereby bombs and weapons can be launched from hundreds of miles from the target and guided precisely. The Imperial power has now and indeed always has attempted both to manufacture and dominate the world market in vastly superior weaponry.

Science and technology are at the heart of the system I am describing. And there is no doubt that there are a multitude of advantages since science and technology are at the heart of the system of domination in the world today. We can finally see what happens when, in self-defence and to avoid being invaded, weaker countries attempt to possess some of the weapons of mass destruction. The hegemonic powers want to be the only ones to possess such weapons, otherwise they could not threaten without opposition. The recent examples of North Korea, Iran and Iraq are obvious and clear; Pakistan is possibly next on the list. The weapons of mass destruction held by Israel are ignored by the US as Israel is seen as part of the frontline of their empire and strategically as part of themselves.

The relationships between technology, development and Imperialism are enormous and are barely touched upon here. But it is clear now as it was to the Japanese in the 1860s that if a country does not equip its citizens with the latest technical knowledge of the West, across all the disciplines of science, there is no chance of resisting adequately. The dominance that technology provides to the West is not by itself a sufficient condition to resist, but it is undoubtedly a necessary one.

Military Power and Imperialism

The previous discussion on science and technology has touched upon the connections with military power. Underlying everything else over the last two centuries has been the military superiority in every field, on land, sea and, in last 75 years, in the air. At this point in time we have to add space. To all this has to be added the means of military production with the most up-to-date technology and the necessary finance.

Two-thirds of the world were subdued with the firepower of the Western hegemonic nations. So great was the awe struck into the hearts of the invaded that the Colonial invasions of the 1880s were relatively undisputed. I say this with caution. A hundred years later the people of the so-called Third World knew far more about Western ways and had learnt something about the sophisticated ways of resisting oppression by the Western Imperial powers.

Military Resistance

Counter-strategies to Western military dominance have been a part of the political scene for sixty years. Successful Maoist guerrilla tactics have been followed by many peoples across the globe. Even as I am writing this, the Nepalese people have risen in a guerrilla strategy to topple their government by force. These tactics have been countered by the American and British military, in nearly every case in conjunction with the military of the powers concerned, with violence and terror on large scale. Counter-guerrilla tactics became an art form for the Western military forces. The British put down the Mau Mau struggle in Kenya with unprecedented ferocity. The US air force carpet-bombed the Vietnamese and Cambodians, and in Central America hundreds of thousands of people were killed in fighting. The US military provided the weapons and the training and the local forces the manpower to carry out counter-tactics of almost unimaginable terror.

Military superiority has consisted of more than firepower and counter-terror tactics. Military intelligence has proved crucial. Few people know about Echelon. Echelon is the device for listening to digital telephone calls, and intercepting emails and faxes. It involves

satellite technology and people on the ground. It is the final word in electronic eavesdropping. Echelon originates out of the British attempt to locate German submarines during the Second World War. Since that time, when Britain shared its techniques with the Americans, the two countries alone have together in great secrecy spent huge sums of money in developing this technology. They can both listen to everyone around the globe. And as US bases now begin to surround the world, the first thing that they put in place are listening devices connected to their HQs in the UK and the US.

US bases now surround the world, across central Asia, towards Western China, across the Caspian Sea and into Southern Europe. This is all planned to provide the military at home with quick aircraft access and local intelligence through the use of Echelon. US military superiority would be severely hampered if their actions were curtailed by international treaties, many of which had their origin during the Cold War period. With no USSR to be contained, the following international treaties hampered their own right of action, as they saw it:

- The Comprehensive Test Ban Treaty
- The International Criminal Court
- The 1972 Anti-ballistic Missile Treaty
- The UN proposals on control of arms transfers
- The control of weaponisation of space
- The Kyoto Protocol
- The Biological and Toxins Weapons Convention

The American government felt that it would be hampered by these treaties and agreements so painfully negotiated during the earlier Imperial period. The global circumstances had altered. By the year 2000 the Americans had become so powerful militarily that no smaller nation state could ignore their wishes. The big issue was what was all this arms build-up about, why did the US unilaterally project itself as the sole guardian of world order, the undisputed master of the universe?

Empire and Ideology

All empires need ideology. They need an Imperial ideology in the first place to placate and justify the unjustifiable to their own

citizenry. On the one hand, the ruling classes of Imperial states have a vast amount of wealth, and on the other, the people who run empires understand the falsehood of their own ideology and need to project themselves to their own people as upright, moral and just; they also need to characterize the people they have subjugated as lesser beings, of doubtful moral character, perhaps even violent and untrustworthy.

If we first briefly examine the British ideology used throughout the time of their empire we can see the veracity of the above. Today no one of any merit would accept the basis of the ideology which provided the moral framework that supported the British Empire. The British Empire was run on a cocktail of British nationalism around the monarch, the superiority of the race, the civilization and religious superiority reflected in its many missionary organizations. All intertwined in nicely spaced phrases.

This ideological edifice of racial superiority came to an end in 1945. The logical consequences of their beliefs were manifested in the Holocaust of Jews in Germany during the war. British and German racial beliefs were never far apart, and British upper-class racial beliefs simply faded away. Today no one believes any of that old Colonial ideology. It has simply been discarded as obvious rubbish, yet at the time it was fervently believed to be manifest 'truth'. American Imperial ideology has replaced the British variety. There are many similarities as well as some distinctive differences. At its heart is the fact that Americans at home and abroad believe in it.

Like the British there is a cocktail of American nationalism: there is the flag, morality and civilization have been replaced by the concepts of 'freedom' and 'democracy', and more recently 'terrorism'. American emissaries in foreign lands will talk about the Pashtuns accepting democracy, but even if they have absorbed the concept, one wonders if they really believe in it.

Let's just examine this one concept briefly to show its falsehood. Democracy is the system, in my opinion, in mature Capitalist economies whereby it is justified to its people as a whole. Should a political party assume that it is a vehicle for serious change, for instance, towards socialism or an Islamic state, they can

be sure it will be overthrown by a combination of the local military forces trained in the USA, or in the UK with the agreement of Washington. Chile under Allende is the last example of this regime change being tried. When the Islamic parties in Algeria looked as if they might win the election it was cancelled out by the armed forces. Democracy, in this sense, is simply a change of the people visibly running the system. Then consider the proposition of people who actually vote a US president into power:

- Twenty-five per cent of the people don't have the right to vote.
- Of the remaining 75 per cent of the potential voting population, only 50 per cent actually vote.
- And if there are two candidates this works out as 18.75 per cent of the adult population actually voting in the new president. If there is a third candidate, the number drops as low as 14 per cent.

Anyone reading this can draw their own conclusion. And this is the system that America says it wants everyone to have, it is their version of the British concept of what a civilized society consists of. This is the rationale, Americans tell us, for their invasion of Iraq. Are they simply lying or do they really believe their own ideology?

The American Imperial cocktail has its own distinctive line. The founding fathers who arrived in New England in the 1620s developed a potent metaphor derived from the Old Testament and the Jewish tradition. They had arrived, they said, in God's new Israel; it was, they said, the 'promised land' and the fact that they had survived the long Atlantic crossing indicated that they were God's chosen people. It may seem hard for people outside America to understand but these metaphors have survived, and there are many millions who now see that they have a 'mission to the world', and the righteousness that comes out of the present president has a powerful echo to his own people.

It would seem that all Imperial ideology has a basis in its own nationalist myth, but when applied to 'other' peoples it is deception. Today, public relations companies consciously develop ideas in order to manipulate public opinion, in order to make Imperial expansion acceptable. New concepts keep appearing and disappearing; here are a few examples:

- regime change = military invasion
- pre-emptive defence = military invasion
- axis of evil = countries we want to control
- shock and awe = US terror tactics
- war on terror = endless war, wherever we want.

The final piece in the contemporary US ideological jigsaw is the way all these ideas are put out through the television and newspapers. The number of television networks are small in number and nationwide. See the above section on Capital Accumulation, where I briefly outline this process. Ownership and control of the media is hugely centralized and owned privately. These networks are sycophantic to the regime in power. They offer entirely uncritical evaluation. Any administration in the US can be assured of total acceptance of whatever expansionist Imperial plans it puts out being reproduced in the words it has decided upon. The US may be the land of the free, but freedom of speech has long ceased to be practiced in the daily newspapers or on TV channels.

Globalization as Westernization

Some researchers may disagree with the argument that globalization has not improved the plight of humanity for most of the developing world. They would instead contend that it is misrule, inefficiency or misdirected state policies that prevent the positive effects of glocalization to reach most segments of the population in these dispossessed developing states. However, in terms of globalization effects, it makes more sense to argue that the human development failures linked to corruption and inefficiency in poor nations are due more to the detrimental aspects of the cultural-attitudinal lag between the introduction of globalization (westernization) models and changes in elite and mass attitudes.

For example, Westernization (formerly colonization), and now globalization with its neo-colonial overtones, contributes to clientele networks in developing countries based on ethnicity and corruption. The cultural values associated with globalization are seen as foreign to many developing nations which are deeply attached to more traditional cultural values (Seligson, 1998). While

hard work is an attribute in many developing nations, the values of punctuality, achievement-orientation, and other “industrial” characteristics are ingredients to ensure the effective results of economic liberalization in poor countries. Many analysts equally argue that “modern” values will emerge naturally as the result of a global process of diffusion of values conducive for holistic development.

The question is how long do developing societies have to wait before these value changes occur? In the meantime, their populations are being inundated by globalization processes from the advanced industrial countries. Attitudes and value changes that underlie collective and individual modernity correspond to behavioural changes at the institutional and general societal levels. The problem of institutionalized clientele networks linked to rampant corruption and misrule, for example, are a symptom of the existence of psychic, mental, and other barriers to effective modernization in many countries (Inkeles and Smith, 1974). Transplanted institutions, models, and strategies take time to be internalized, if ever. The development literature is replete with examples of the failure of such transplantation, such as import-substitution industrialization. The external introduction of globalization trends by the international power elite with the support of internal elites will be tantamount to wasted efforts unless there are “modernized,” active and informed citizens to ensure a close correspondence between societal values and new processes. The realization of such a modern situation often involves freedom based on the absence of constraints from external actors and forces.

Freedom from constraining external models plus attitudes and values conducive to globalization (westernization/modernization) are necessary conditions to growth in (GNP) Gross National Product (economic efficiency) and good governance (distributional efficiency and political liberalization). Furthermore, apart from the cultural lag between globalization and attitudinal change in developing countries, there is also the relations produced by the global market that are at the expense of the poor markets. This institutionalized economic and political inequality that is part of the international political economy reinforces dependence, limits the

development of poor markets, and constrains their cultural and technical capacity, which then affects the overall human security dimension of their societies.

The limitations imposed on the markets of poor countries are particularly reflected in the transfer of their resources to the advanced and dominant countries. The consequence is deepening inequality, institutionalized inefficiency, and at times violence in developing countries. Global inequality produced by globalization processes has had a long-term effect starting with colonial dependence which permanently relegated developing countries to a subordinate status in the global economy. What began as colonial dependence has now expanded to include financial-industrial dependence characterized by ever deepening foreign-oriented development and technological-industrial dependence (Dos Santos, 1970). Both the international relations and the internal structures of developing countries have been conditioned to serve the markets of the dominant nations in the areas of production, capital accumulation, the reproduction of the economy, and in social and political behaviour.

Conclusions

Science in the twenty-first century represents globalized knowledge and benefits from the creation and exploitation of new social and technological structures which enable the global free flow of knowledge and expertise. It could also benefit, however, from a historical awareness of the ways in which techniques and technology in the past have spread throughout the world. The present lack of this awareness hinges on a structural deficit of research in this field due to disciplinary boundaries and fundamental epistemic limitations. This book aims at taking a step toward overcoming this deficit.

My argument in this book has been consistently that global corporate capitalism, as theorized by its intellectual vanguards, is the centrepiece of modern-day imperialism. Global capitalism, as we are now experiencing it, has a number of important characteristics

which make any imperial adventures so particularly relevant to the peoples of the world:

- Global capital is mobile due to the digitalization of information.
- It is a single system of production. This is perhaps most apparent in the car industry.
- Countries and regions are integrated or integrating across the globe, as seen by the various free trade areas of which the Europe Union and NAFTA are but two.
- A single transnational ruling class has already formed and is operational. Class forces change inexorably with the character and forms of Capital. Today a transnational class meets and decides the major issues of our time at a range of semi-public and some private locations. The G8, Davos, Bilderberg are the names where leaders in Capital and politics meet to decide Imperial strategy.
- The new digital technology supplants national techniques yet again and provides the means to revolutionize production.

Our Imperial world is different from any that has gone before. It is a secular system. Morality itself has been commodified. Religion has been relegated as one institution among many. The relation between humans and nature, which in previous eras has been expressed in otherworldly terms, is now no more than a commodity to be bought and sold. Art or illness express commodification, both are no more than mere businesses. Basic needs of food and water, and now even intellectual property, have all been commodified, and if you haven't the money to pay, you don't receive.

The result is the most dynamic and the most exploitative system of production and consumption the world has ever experienced. The Imperial reach of the dominant country has no boundaries.

This book describes the mechanics and the processes that make up imperialism and sustain it using social science as its academic support in the modern age. Both the mechanics and the processes are global systems; intellectually, both are vast and complicated, and in trying to illustrate them systematically one has to simplify and thereby prone to overstatement. Nevertheless, it is crucial for readers to have an overview of the situation. Those who venture

outside the shores of their own land need to understand what they see, wherever they find themselves, in terms of a whole, an imperial whole.

Today the imperial system is global in extent and affects everyone worldwide. The target audience of this book is students who are not taught in terms of the globalization of the planet. In Western economics this might be called a macro view: it is an attempt to look at our world as a whole and to make sense of what we see in this context. In Western social sciences, looking at systems as wholes is unusual, and in the religion-based educational system this way of examining our world is no easy task.

Whether one lives in the Sahara desert, in the furthest reaches of Afghanistan, or in the teaming cities of Asia or select Africa, he will be affected by capitalism and imperialism. You might be growing poppies for the drug trade, or trading cars illegally to allow the rich to avoid taxes, or drinking water from bottles manufactured by a multinational company, there is no escaping it: wherever we live we cannot avoid the forces that drive this world. Equally, the major powers of our time will be at work, whether you see them or not: it is a fact that the ruling classes of each state and the leading corporations of the great powers are working to reorganize your country. This book is therefore dedicated to all humankind, to help in a small way to understand the huge imperialist theoretical forces at work within our global system.

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Chapter 2

Social Science, Eurocentrism, Americanization, and Imperialism

Overview

The falcon cannot hear the falconer.
Things fall apart; the centre cannot hold.
Mere anarchy is loosed upon the world.
The blood-dimmed tide is loosed, and everywhere.
The ceremony of innocence is drowned.
The best lack all conviction, while the worst
Are full of passionate intensity.
(W.B. Yeats, The Second Coming).

Any consciousness that rejects a serious theorization of imperialism and its connection to capitalism and refuses to understand how those at the imperial centres often benefit from a culture/context produced by imperialism is nothing more than a militaristic aberration performed for dubious reasons. But, *if the social sciences are Eurocentric or American, does this also mean that they are imperialist? This is the question this chapter will tackle.*

Introduction

Much of present-day social science in non-European universities is nothing more than the mindless study and re-study of the dead corpus of sociological knowledge generated in response to ethnocentric or peculiarly European perceptions of situations often decades or centuries old. The Eurocentric nature of social science studies has attracted the charge of imperialism. Imperialism is a widely-used term which has undergone several semantic transformations. The realities it is intended to express have changed over time. As a concept, it is at the same time descriptive and politically charged. In common usage imperialism is synonymous

with domination, subjugation, or the exercise of control by coercion. It is etymologically connected with the idea of empire or *imperium*. It has a strong association with notions of power and the use of power. It represents both hegemony, in all its forms, as an actual state and the striving for the imposition of hegemony. It is the antithesis of autonomy, however defined. This chapter deals with the term and its usage in the social sciences to obscure academic colonization, not the history of imperialism as a phenomenon.

The most appropriate manner of examining the concept of imperialism is to focus on the historical roots of its various meanings. Empire is an ancient form of rule based on the extension of the formal authority of a state and involving loss of sovereignty for neighbouring states or the annexation of territories outside state control. Empires have existed for millennia and imperialism as a mode of governing appeared long ago. They were concomitant with the appearance of states as forms of human organization.

From the remotest past and in all parts of the globe, powerful states tended to turn into empires. From ancient Egypt to the Sumerian, Babylonian and Assyrian Empires in Mesopotamia, from the Gupta and Mogul Empires in India to the Chou, Ch'in, Han, Sui, T'ang, Sung, Ming and Ch'ing dynasties in China, from the Macedonian to the Roman and Byzantine Empires, from the Umayyad, Abbasid and Fatimid Empires of central Islam to the *Ottoman Empire*, and so on, the phenomenon was universal. As a testimony to their ambitious view of their *raison d'être*, many claimed to be world empires. Although their universal pretensions faded, some empires continued their existence into the twentieth century. The Russian, Habsburg (Austria) and Ottoman Empires came apart only during the World War I.

A second understanding of the term imperialism relates to the nature of the political order inside a state. An empire was a type of regime or a system of government in which the head of state was an emperor, rather than a king, a president, or another sort of official. The Roman Empire, the Holy Roman Empire and the Napoleonic Empire were cases in point. The substantive or adjective "imperialist" referred to a supporter or advocate of the emperor,

the empire he ruled or imperial rule in general. It was a neutral term. In 1836, “imperialism” made its way in a supplement to the 1835 (sixth) edition of the *Dictionnaire de l'Académie française*, and was defined as “the system, opinion, or doctrine of imperialists.” In France, negative connotations were never absent, especially since this understanding of imperialism came to be personified by Napoleon I and Napoleon III. Caesarism, associated with despotism and militarism, merged into a new term, “bonapartism.” Both Napoleons cast their shadow over Britain where the proclamation of Queen Victoria as Empress of India in 1877 and Disraeli’s quest for imperial possessions overseas were denounced by liberals as military adventurism, political demagoguery, and nascent authoritarian rule.

As the rush to acquire colonies, protectorates, and spheres of influence gathered force at the end of the nineteenth century, colonial powers took to referring to themselves as empires. Imperialism became synonymous with colonial expansion and colonial rule over non-European peoples. In fact the use of the term imperialism to describe colonial expansion predated the emergence of the term colonialism. In the British experience, the concept of empire had an added meaning, that of an association of white Anglo-Saxons spreading over all areas of the globe, yet united by kinship and pride, and remaining part of Greater Britain. White settler-colonies were destined to become self-governing dominions united with England in a relationship of equality. Overall, however, the British Empire was non-European, with Indians alone making up the vast majority of its population.

One consequence of the recourse to the word “imperialism” to characterize colonial expansion was the addition of an economic dimension to the notion of imperialism. Imperialism was no longer solely a political reality; it now conveyed the idea of the search for the economic advantages that lay at the heart of the colonial process. The word and the reality of what imperialism was supposed to represent became more controversial than ever. The colonial system had proponents until decolonization in the second half of the twentieth century made empires defunct. Liberals admitted that imperial rule was no longer acceptable and, in the

wake of decolonization, considered that imperialism belonged to the past.

Critics associated with the socialist left took a different direction. While ideologues of imperialism—in the sense of colonial expansion—stressed the economic gains to be made from the possession of colonies, critics interrogated and fought against the forms of exploitation that made these “gains” possible. Their root-and-branch critique of imperialism gradually became the only analytical tools available to comprehend this phenomenon, as liberals left the field, downplayed the economic content of imperialism, or confined themselves to contesting prevailing interpretations. The term imperialism went out of liberal vocabulary at the same pace it entered left-wing discourse, so much so that its use became a tell-tale indicator of one’s position on the political spectrum. The essence of the left-wing interpretation of imperialism lies in the link it establishes between imperialism and capitalism. It is the touchstone of the “economic theory of imperialism,” a theme around which an immense literature developed.

Coupled with the colonial clash at Fashoda (1898) which brought Britain and France to the brink of war and the Spanish-American war of 1898, the Boer War (1899-1902) was in many respects a turning point in the history of the word imperialism. The burning of Boer farms by the British army and the transfer of Boers to concentration camps tarnished Britain’s reputation and put eulogists of imperialism on the defensive. The war correspondent John A. Hobson returned home to write *Imperialism, a Study* (1902), a methodical attempt to demonstrate that imperialism was a systemic corollary of the functioning of the capitalist economy. Hobson drew attention to the relationship between the export of capital and colonial expansion. He observed how capital migrated abroad in search of opportunities for profitable investment. It did so for lack of adequate investment venues at home. The domestic economy was constrained by artificially narrow markets as a result of the low purchasing power of British workers. An unequal distribution of wealth was the engine driving capital abroad; it lay at the core of imperialist expansionism. As a consequence, imperialism was less a fortuitous policy than a logical outgrowth of an economic

and political structure. To render it superfluous, social reform and redistribution of national income were requisite. Hobson had deep and lasting influence on subsequent thinking about imperialism.

Marxist writers then entered the fray. Their impact on theorizing about imperialism was such that the subject practically became a hallmark of the Marxist tradition. Rudolf Hilferding's *Finance Capital* (1910) drew attention to the phenomenon of business concentration, giving rise to finance capital, a new type of capital resulting from the merger of bank capital and industrial capital, under the aegis of the former. Concentration and monopoly tended to lower the average rate of profit, leading to the search for foreign outlets for investment purposes and to conquest abroad. In the *Accumulation of Capital* (1913), Rosa Luxemburg pointed to the limits imposed by capitalist exploitation on the growth of internal markets, forcing capitalism to intensify the search for new markets in the colonial world. Nicolai Bukharin's *The World Economy and Imperialism, an Economic Outline* (1915, expanded in 1917) highlighted the role of state power in the formation of finance capital and in the ensuing process of imperialist expansionism and war. The most influential study of all was Lenin's *Imperialism, the Highest Stage of Capitalism, a Popular Outline* (1916). Synthesizing Hobson's and Hilferding's contributions, Lenin sharpened their edge, stressing imperialism's inherent tendency toward wars for hegemony and positing its status as capitalism's final epoch before the advent of socialism.

The Marxist tradition produced the conceptual instruments which laid the ground for the detachment of imperialism from its colonial background. Capitalist expansion was no longer limited to the acquisition of colonial empires. Capital could be exported to sovereign states, reducing them to a dependent or semi-colonial position, despite the outward trappings of independence. Imperialism was forcible capitalist expansion; colonial empires were only one form. For left-wing writers in general, decolonization and the fall of the colonial system in no way ended imperialism. The "dependency school" which emerged after 1945 emphasized the character of imperialism as a structure or system encompassing the entire world, with hegemonic powers in the centre and dependent

countries in the periphery. “Neo-colonialism” was the continuance of quasi-colonial domination after independence.

This view is rejected outright by liberal authors, for whom imperialism was a colonial policy resulting mostly from non-economic (e.g., political, diplomatic, strategic, or nationalist) motivations and not a product of capitalism. In *The Sociology of Imperialism* (1919), Joseph Schumpeter even claimed that capitalism was anti-imperialist and attributed imperialist expansion to atavisms and remnants of pre-capitalist attitudes. As for Raymond Aron, he argued in *Paix et Guerres entre les Nations* (1962) that expansion occurred for its own sake. It was a natural tendency of states and statesmen, a function of the calculus of power rather than a response to economic stimuli.

The terms imperialism, dependency, and neo-colonialism were much in use until the late 1970s as concepts conveying the idea of persistent control by advanced capitalist societies of apparently independent developing countries in various areas, political, military, economic, and cultural. They faded as left-wing and pro-Third World currents receded in the face of the neo-liberal offensive of the 1980s which touted globalization as a sufficient explanation, an accomplished fact, an inevitable outcome and a desirable aspiration. Although globalization and imperialism are conceptually distinct, in practice the principle of globality underlying globalization puts the world at the disposal of those possessing the means to control it. Globalizing impulses tend to originate in advanced capitalist countries, while those being globalized tend to be elsewhere. The pattern is so reminiscent of imperialism that globalization is viewed in many parts of the world as the current face of imperialism, and Empires as the harbingers of globalization. The concept of imperialism is back in the fore, thanks to the process of globalization which had apparently replaced it. The fact that neo-conservatives in the United States are intent on reviving imperial rule, protectorates, and mandates in all but name as their preferred system of international governance further underlines the relevance of the concept of social science imperialism as an analytical tool.

Historical evolution of social science studies

The question few people ask is: Why do Indians or Iranians or Africans or Chinese for that matter allow themselves to continue to be fed a diet of what Europeans or Americans decide is social science? Is it possible that they could survive for thousands of years without intensive know-how about social, political, scientific or military organization? Why are we unable to resist the notion that European sociology or anthropology or American political science or psychology is some kind of absolute which cannot be questioned? Or are we simply too lazy to surrender this colonial inheritance and rethink anew?

It may be useful here to inquire (briefly) into how this situation arose in the first place. The intellectual history of societies falling as colonies under the political domination of Europe and, later, the US shows two major phases. In the first phase, there is a determined assault on their intellectual and spiritual traditions which is often internalized and often uncritically accepted by the leading and influential sections of the subjugated population. In any event, they really do not have any choice. Thereafter, in the second phase, there is an overt attempt to completely replace the indigenous systems with ideas associated with the experience of the colonizer - a routine feature of the exercise of power.

The methodology adopted for such cultural assaults was elaborated very powerfully in 1612 by Sir John Davies, British Attorney for Ireland, in his book titled *A Discovery of the True Causes Why Ireland Was Never Entirely Subdued and Brought Under Obedience of the Crown of England Until the Beginning of His Majesty's Happy Reign*. Though he was writing in respect of Ireland, Davies could have been writing about any other country that came under the political subjugation of colonial powers:

‘The defects which hindered the perfection of the conquest of Ireland were of two kinds and consisted: first, in the faint prosecution of the war and next in the looseness of the civil government. For the husbandman must first break the land before it be made capable of good seed; and when it is thoroughly broken and manured if he do not forthwith cast good seed into it, it will

grow wild again and bear nothing but weeds. So a barbarous country must first be broken by a war before it will be capable of good government; and when it is fully subdued and conquered, if it be not well planted and governed after the conquest it will soon return to the former barbarism' (Sir John Davies, 1890, p. 291).

The simple truth is that there has never been a change in this principal approach of imperialism and its ways thereafter. The assault on India's traditions, for instance, was first officially announced by William Wilberforce in his 1813 speech to the English Parliament in which he argued that the English must ensure the conversion of the country to Christianity as the most effective way of bringing it to 'civilisation'. The effort to Christianize the Hindu population fell flat on its face and proved to be one of the most abject failures of imperial governance.

In 1835, however, a profoundly new approach was crystallized in the form of a 'Minute' by Governor General Lord Babington Macaulay which became the foundation of the modern academic enterprise and proved to be successful beyond the expectations of both colonial and post-colonial rulers. In that influential Minute, Macaulay summarily knocked down the entire intellectual output of India and Arabia in well-known words:

'I have no knowledge of either *Sanscrit* or Arabic. But I have done what I could to form a correct estimate of their value. I have read translations of the most celebrated Arabic and *Sanscrit* works. I have conversed, both here and at home, with men distinguished by their proficiency in the Eastern tongues. I am quite ready to take the oriental learning at the valuation of the orientalist themselves. I have never found one among them who could deny that a single shelf of a good European library was worth the whole native literature of India and Arabia. The intrinsic superiority of the Western literature is indeed fully admitted by those members of the committee who support the oriental plan of education'.

'It will hardly be disputed, I suppose, that the department of literature in which the Eastern writers stand highest is poetry. And I certainly never met with any orientalist who ventured to maintain that the Arabic and *Sanscrit* poetry could be compared to that of the great European nations. But when we pass from works of

imagination to works in which facts are recorded and general principles investigated, the superiority of the Europeans becomes absolutely immeasurable. It is, I believe, no exaggeration to say that all the historical information which has been collected from all the books written in the *Sanscrit* language is less valuable than what may be found in the most paltry abridgments used at preparatory schools in England. In every branch of physical or moral philosophy, the relative position of the two nations is nearly the same' (See: <http://www.vvv03.com/Minutes.pdf>).

Macaulay insisted on installing a new system of education with a very specific set of goals:

'I feel with them that it is impossible for us, with our limited means, to attempt to educate the body of the people. We must at present do our best to form a class who may be interpreters between us and the millions whom we govern - a class of persons Indian in blood and colour, but English in tastes, in opinions, in morals and in intellect'(See: <http://www.vvv03.com/Minutes.pdf>).

This well-known formulation of the objectives of the colonial education project coupled simultaneously with the display of civilizational arrogance was repeated ad nauseam in countries as diverse as Turkey, Indonesia, the Philippines, Aotearoa (New Zealand), etc. These became overnight 'victim' societies or 'defeated' civilizations and their leading lights readily applied this collective feeling of inferiority to the products of their minds as well. In the context of Africa, Ngugi wa Thiong'o wrote:

'The biggest weapon wielded and actually daily unleashed by imperialism against that collective defiance [was] the cultural bomb. The effect of a cultural bomb is to annihilate a people's belief in their names, in their languages, in their environment, in their heritage of struggle, in their unity, in their capacities and ultimately themselves. It makes them see their past as one wasteland of non-achievement and it makes them want to distance themselves from that wasteland. It makes them want to identify with that which is furthest removed from themselves;

for instance, with other peoples' languages rather than their own. It makes them identify with that which is decadent and reactionary, all those forces which would stop their own springs of life' (1981, p.3).

It is truly amazing to discover that so many educated segments in practically every colonized society could be so convinced eventually of their own - and their civilization's - worthlessness, that they would allow themselves to be robbed of everything that their civilizations had to offer and then meekly submit to remould themselves in the manners and thinking of those who came from far outside their borders.

The scale of this civilizational failure of nerve was ultimately restricted in its reach for a rare reason: the difficulty the imperial power faced - as Macaulay himself admitted - in 'educating' the entire population! In other words, we survived with our identity simply because most of us did not speak English, we continued to speak in our own mother-tongues, and the majority of our populations had little interest in certifying themselves in Western knowledge systems. They simply remained aloof, disinterested, unincorporated.

Conceptual and Theoretical Issues of Interdisciplinary Studies

The older tradition of philosophical and theological inspired social studies followed a discursive and reflective style of research. The approach was "totalistic" and all-encompassing, rejecting empirical and statistical behavioural research. The growth of political economy especially in the writings of Ricardo, Smith and Marx which emerged in the 18th and 19th centuries illuminated the relationship between state and economy. Through the application of rigorous empirical study political economy was guided by theoretically informed research designed to guide policy and political practice.

Parallel to political economy, and eventually eclipsing it, was the growth of disciplinary specialization, guided by a mathematical and abstract theorization. This approach 'abstracted' a narrow part of

the total universe of human behaviour in order to carry out detailed empirical research. To further specialization and to enhance the prestige and influence of practitioners of ‘narrow’ focus research, departments were established which institutionalized the fracturing of the social sciences and humanities. Over time, the limits of “specialized research” anchored in fragmented departments, to deal with systemic crises led to efforts to create a unified view of social realities.

Contradictions of Specialization

How would one categorize the following writers in terms of their academic disciplines of economics and sociology: Adam Smith, Ricardo, Malthus, J.S. Mills, Marx, Menger, Veblen, Simmel, Durkheim, Weber, Polanyi, Hayek, Bourdieu, and Granovetter? It is common for sociologists to claim Marx, Simmel, Durkheim, Weber, Polanyi, Bourdieu and Granovetter as their own, while other thinkers are claimed by economists. Yet all these writers were greatly concerned with the problem of social order, the structure-agent problem and social justice. Indeed, these social scientists were more interested in topics and objects of study, rather than limiting themselves to disciplinary boundaries (Swedberg 1994; Hodgson 1988).

Disciplinary narrowness and disciplinary imperialism are a recipe for misunderstanding the social world, resulting in reductionism and various forms of narrow interpretation and dubious analysis of causality. They encourage academics to emphasize not what is relevant and important for understanding social phenomena, but whatever promises to raise the profile or *educational capital* of their discipline. As Sayer (1999) argues, while all disciplines ask distinctive and worthwhile abstract (i.e. one-sided) questions, understanding concrete (i.e. many-sided) situations requires an interdisciplinary, or better, *postdisciplinary* approach that follows arguments and processes wherever they lead, instead of stopping at conventional disciplinary boundaries, subordinating intellectual exploration to narrow institutional demands.

We should celebrate rather than mourn the decline of sociology as a discipline. We should encourage the development of not merely interdisciplinary studies, but postdisciplinary studies (Sayer 1999; 2000). The identification that so many sociologists have with their sociological discipline is actually counterproductive from the point of view of making progress in understanding society (Granovetter and Swedberg 1992; Swedberg 1994).

Sociology as a discipline is limited and narrow: sociology tends to be incapable of seeing beyond the questions (*im*)posed by it (such as ‘how is X socially constructed?, and ‘what are the class, gender, ethnicity and age dimensions of Z?’). Such questions provide an all-purpose filter for everything. To be sure, where the identity and boundaries of the sociological discipline are strongly asserted and policed, it can stifle scholarship and innovation.

Sociology as a discipline is also often imperialist: sociology attempts to claim territories occupied by others as their own. For example, the theory of class struggle claims to be able to explain things like politics, urban and rural development, and community relations. Disciplinary imperialism is closely related to disciplinary narrowness because both have difficulty thinking outside the framework of a single discipline.

Sociological narrowness and imperialism are evident in the tendency for accounts of the world to be assessed not merely in terms of their explanatory adequacy, but in terms of the extent to which they further the aims and ways of thinking sociologically. Faced with any attractive theoretical innovation, we should always ask: is it attractive because it seems to enlarge the claims of sociology as a discipline, or because it’s a good explanation of the phenomenon concerned. For instance, when sociologists say natural science has to be understood as a social construction, does this appeal to them because it is a better explanation of science, or because it advances sociological imperialism?

Sociology as a discipline likes to flatter itself that it is more fundamental than all the others; sociology as a second-order discipline, therefore, is so much broader than any of the other disciplines, and capable of studying *anything*. Such claims are a way in which sociologists massage their disciplinary egos and status

within the academic community. For those that follow Bourdieu, this strategy of sociologists is a way of enhancing their own cultural and educational capital.

Sociology as a discipline has greatly extended its territorial claims by shifting from grounding itself in terms of *objects of study* to identifying itself in terms of *ways of seeing* (Sayer 1999). Sociology is increasingly defined more by social power relations and cultural meanings attached to practices – witness the recent studies on economic practices from cultural studies writers. Sociology, then, becomes a study of social constructionism, in particular a strong version of it. Of course, other disciplines commit the same mistake. For instance, economics is not just the study of economies, it is a way of understanding every aspect of society through the lens of rational choice (Hodgson 1988).

Of course, interdisciplinary exchanges can have hidden agendas too, and be driven by attempts of participants to raise their standing. An example of this is the dialogue, or conversations, of the last two decades between economics and sociology in the area of transition economies through which both increased their cultural capital, the former through gaining the prestige of discussing power and meanings, the latter through gaining that of formal analysis.

We can accept that disciplines ask important questions. But these are abstract - that is one-sided – questions about, for example, the problem of social order, or the relationship between society and environment. They are certainly worthwhile questions. But to answer them we need concrete answers that go beyond the bounds of single disciplines. Consider, the problem of human needs that require us to examine psychological matters, the workings of markets, the spatial organisation of society, and so on (Slater 1997). We have to go beyond sociology to answer one of its most fundamental questions.

Examples of sociological narrowness and imperialism

1. A substantive example

In sociology, the grand narrative of ‘Fordism’ and ‘Post-Fordism’ functions as a way in which the discipline can deal with

economies without having to know too much about economics. It allows a sociological imperialist to make claims about the nature of the economy. Sociologists rightly insist that economic relations are socially or culturally embedded, but that doesn't say everything about them, indeed much eludes such a perspective. Furthermore, this sort of claim by sociologists is typical of power struggles over intellectual territories, and the right to speak about them.

2. Strong social constructionism

Strong versions of social constructionism imply sociological omnipotence or sociological triumphalism: not only is everything actually a social construction, but sociologists can see this so much more clearly than anyone else. As already noted, many sociologists regard natural sciences as *strongly* socially constructed, so in effect denying any validity to the scientists' claims (Sayer 1997).

3. Sociological reductionism

By sociological reductionism, I mean the tendency to treat ideas and practices as if the only thing we need to know about them is their social coordinates, be it 'middle class', 'feminine', or whatever, as if this determines their content. For example, those writers who dismiss horse-riding as 'middle class' are guilty of sociological reductionism, as if there is nothing else to be known about horse-riding, or the person who enjoys riding.

Reasoning can enable us to think beyond the sociological dispositions we have acquired through having our particular location in the social field. It is even possible to arrive at ways of thinking and acting which are at odds with those dispositions, just as it was possible for Marx to think beyond his middle class background, though of course reasoning might lead us to affirm our dispositions. Unless we rigorously question our own disciplinary dispositions and position within the social field, we are unlikely to break their influence and plunge into methodological fetishism characteristic of bourgeois scholars theorizing globalization.

What I mean by "methodological fetishism" is the dominance of methods over content. In principle this could happen with any method in the human sciences; in fact the methods have been invariably quantitative. Statistics became the mother science for sociologists. Now, there can be no question but that statistical

analysis has been a useful tool in many areas. We live in a society comprising millions of people and statistics is designed precisely to make sense of such a society without having to interview every one of its members. To say this, however, is a long way from assenting to the widespread implication that nothing is worth studying that cannot be analysed quantitatively. In order for data to be analysed statistically, they must be produced by means of a standardized questionnaire. This means, inevitably, that people are asked to reply to a limited number of typically simple questions. Sometimes this works; sometimes it does not. Take the example of the sociology of religion.

One can get useful data by asking people how often they have gone to church in the last four weeks (leave aside the fact that, as has been shown, they sometimes lie about this). But then such questionnaires try to cover beliefs as well as behaviour, and there the meaning of the replies is much less clear. Even such a seemingly simple question as “Do you believe in God?” will be interpreted by respondents in so many different ways that their replies are hard to analyse, let alone capable of helping a researcher construct something like, say, an index of orthodoxy.

This does not mean that the intentions behind these replies could not be clarified; it only means that survey research is not a good way of doing so. The reasons for this worship of quantitative methods are probably twofold. As often happens in intellectual history, there is a mix of “ideal” and “material” factors (the sociology of knowledge is the attempt to sort out such mixes). On the level of ideas, there is the enormous prestige of the natural sciences, in which quantitative methods are indispensable, and little sociologists want to be as much as possible like their big brothers in physics.

On the level of material interests, many of those who fund social research (such as government agencies) want results that are within very small “margins of error” and can therefore be presented as unassailably scientific arguments for this or that course of action. This too pushes toward quantitative methods. In sociology as in many other areas of endeavour, he who pays the piper calls the tune. Methodological fetishism has resulted in many bourgeois

sociologists using increasingly sophisticated methods to study increasingly trivial topics.

It has also meant that sociological studies have become increasingly expensive. Earlier sociologists (such as those of the “Chicago school”) would go into a community, check into a cheap hotel, and spend the next months observing and talking to their neighbours. Latter-day sociologists, as a joke has it, need a million-dollar grant to find their way to the nearest house of ill repute. Inevitably, the “big questions” tend to get lost in this version of sociology.

Its results can still be useful to this or that institution (say, a government agency that wants to find out how many people are making use of one of its programs, and perhaps even what those people think about it), but they are unlikely to be of interest to a wider public. The ideologization of sociology has been even more devastating. However trivial or simplistic have been the results of methodological fetishism, at least they have been produced by objective investigations that merit the name of science. The ideologues who have been in the ascendancy for the last thirty years have deformed science into an instrument of agitation and propaganda (the Communists used to call this “agitprop”), invariably for causes on the left of the ideological spectrum.

The core scientific principle of objectivity has been ignored in practice and denied validity in theory. Thus a large number of sociologists have become active combatants in the “culture wars,” almost always on one side of the battle lines. And this, of course, has alienated everyone who does not share the beliefs and values of this ideological camp.

The ideological amalgam that is transported by this propaganda campaign is, broadly speaking, of Marxist provenance. But the adherents of Marxism proper have considerably shrunk in numbers. (In the wake of the demise of “real existing socialism,” those who remain have a certain heroic quality, like adherents of flat-earth theory in the wake of the Copernican revolution.)

The ideology is not so much Marxist as *marxisant* -in its antagonism to capitalism and to bourgeois culture, in its denial of scientific objectivity, in its view of the combatant role of

intellectuals, and, last but not least, in its fanaticism. In recent years this version of sociology has intoned the mantra of “class, race, and gender.” The first term of the mantra is still the most visibly *marxisant*, except for its substitution of the working class by other categories of alleged victims, such as, notably, the people of developing societies as described by theories of neo-imperialism. The anticapitalism of the ideology is also expressed by way of environmental concerns and, most recently, in opposition to globalization. “Race” and “gender,” of course, refer to a variety of victimological categories-racial and ethnic minorities, women, gays and lesbians (recently expanded to include transvestites and transsexuals-one wonders whether there are enough of those to make up a credible group of victims).

The ideological amalgam here draws from the theorists of multiculturalism and feminism. Unlike the doctrines of orthodox Marxism, some elements in the amalgam are in tension with each other. For instance, how do multiculturalists and feminists negotiate a topic like “Islamic modesty”? But logical inconsistency has only rarely been an obstacle to ideological dominance (the Leninists were an exception in their insistence on relentless conformity). And, as has been amply documented, this particular ideology, with its stultifying mantra, has become dominant not only in much of sociology but in many of the other human sciences. Along with methodological fetishism, this ideological propaganda has been a crucial factor in the decline of sociology.

In sum, sociology as a discipline, I would argue, has greatly extended its territorial claims by shifting from grounding itself in terms of *objects of study* to identifying itself in terms of *ways of seeing*. Yet, disciplinary imperialism is a recipe for misunderstanding the social world, resulting in reductionism and various forms of narrow interpretation and dubious analysis of causality. As social scientists, we should forget about disciplines, and whether ideas can be identified with any particular discipline; we should identify with *learning* rather than with disciplines.

Why postdisciplinary studies and the need to become a social scientist?

Interdisciplinary studies: they are not enough, for at worst they provide a space in which members of different disciplines can bring their points of view together in order to compete behind a thin disguise of cooperation, so the researchers don't *actually* escape from their home disciplines - at best they merely offer the prospect of such an escape.

Post-disciplinary studies: they emerge when scholars forget about disciplines, and whether ideas can be identified with any particular discipline; they identify with *learning* rather than with disciplines (Sayer 1992). They follow ideas and connections wherever they lead, instead of following them only as far as the border of their discipline. It does not mean amateurism or eclecticism, ending up doing a lot of things badly. It differs from those things precisely because it requires us to *follow connections*. One can still study a coherent group of phenomena, in fact since one is not dividing it up and selecting out elements appropriate to a particular discipline, it can be *more* coherent than disciplinary studies.

It is common to say one can only do interdisciplinary studies after one has first obtained a good grounding in a particular discipline. This is a kind of holding position for conservatives, involving minimal compromise. I wish to differ from this view. I teach at a university here at the American University – Central Asia, where undergraduates are introduced to interdisciplinary studies from the beginning, and it is common for them to attend courses from a wide range of disciplines. Students concern themselves with topics or problems without regard for disciplinary boundaries. My courses, 'Market Society', 'State and Society', 'Political Economy' and 'Cultural and Moral Economy' are good examples of postdisciplinary studies (see http://uk.geocities.com/balihar_sanghera/cme.html).

Of course, it is worth reminding ourselves that disciplines are a relatively *recent* phenomenon. Before the late nineteenth century, the founders of social science would roam freely across territory we

now see carefully fenced off into politics, psychology, sociology, economics, philosophy, etc. - indeed they would often do so within a single page. A good example of this was Adam Smith. Though now commonly claimed by economists as their founder, he was of course a professor of moral philosophy. For Smith, economic relations, including market ones, were always embedded in social relations (Hodgson 1988), and he saw the formation of consumer preferences as very much culturally influenced. In other words, unlike contemporary economists, he did not attempt to relegate the determination of demand to individual psychology, to an external discipline from which there was apparently nothing to learn.

It's ironic that sociology should try to claim particular contributors (e.g. Marx, Simmel and Polanyi) as part of their own canon when the strength of so many of them owed much to the fact that they were *not* inhibited by the discipline of sociology. Here, we adopt the position that there is a canon in sociology, but that it should be broadened to authors (such as Rawls and Hayek) outside those claimed by sociology.

Applied empirical studies and disciplinary specialization have a contradictory outcome: on the one hand it leads to a wealth of empirical data and statistical historical studies, which are subject to the rigors of hypothesis testing and counter-evidence; on the other hand, while subjecting the previous philosophical and theological narrative to a withering critique (and dismissal of most of their claims), it sacrifices the holistic approach to systems in crises and large scale changes in favour of a study of measurable phenomena, subject to quasi-laboratory controls. The scientific method gradually became associated with the narrowing of the field of research and the isolation of 'variables', to be examined within a given set of conventional assumptions.

The Politics of Academic Studies: 1900 - 1945

Countering this tendency toward rigorous but narrow focus empiricism and mathematical abstract modelling in economics, was the growth of theoretically informed historical studies of long term, large scale change. Germany, from the mid-19th century to the rise

of Nazism was the world leader in the physical and social sciences (Watson, 2010). German academics were in the forefront of the organization of ‘departments’, specialization and the foremost practitioners of a narrow empiricism and long-term, large scale historical changes. With the rise of Nazism, the social sciences and humanities were decimated in Germany.

In the West, the collapse of capitalism, with the World Depression, provoked a major crisis in the narrow focus social sciences. The old assumptions of inevitable progress and imperial/capitalist growth were in tatters. However, most Left academics were confined to critiques of the failures of capitalist theories. There were few notable exceptions, especially in history. For the most part however, most left writers were reduced to textual exegesis of Marx and his epigones and general narratives demonstrating the superiority of Marxism.

With the onset of World War II, most western social scientists were harnessed to the state war machine. Most of what passed as “research” was propaganda and narrowly instrumental to the war aims of the state. In the East, stalinization precluded any original critical application of Marxism. In the period following World War II there was a brief period in which western social sciences sought to recover their critical identity especially in Europe. However, their writing was negatively influenced by the ‘victors’ mentality’ and precluded an analysis of the imperial aims of the anti-fascist “allies”. The emergence of US imperial hegemony in the West and the extension of Stalinism into Central and Eastern Europe rapidly stifled the emergence of critical political economy studies in the social sciences.

The Cold War: The Ascendancy of Specialization

The brief blossoming of critical social sciences and holistic humanities (1945 -1947) in the West was aborted, with the onset of the Cold War, McCarthyism and the purging of critical intellectuals, East and West. Neo-colonial wars (Korea), the economic recovery and expansion of capitalism and collectivism fostered the

ascendancy of conformist academics ensconced in disciplinary departments engaged in specialized research.

With the defeats of the post war social upheavals in the West (especially in France, Italy, Greece) and the global ascendancy of US imperialism backed by right-wing social democracy in Western Europe, the social sciences and humanities became captive of CIA funded Cold War academics (Saunders,2000). The intervention of the state and its quasi-state private foundations (Ford, Rockefeller, and Fulbright) was crucial to their ascendancy. Research funding and publications revolved around conformity with the basic assumptions of the emerging American empire in prestigious universities. To secure large grants to build “prestigious” academic ‘area studies’ centres revolved around producing empire centred policy papers. These political constraints encourage academics to confine themselves to their specialized discipline.

Narrow focus empiricism operated within the cold war assumption imposed by the McCarthyite purges and academic blacklisting of critical political economists. The academic “gatekeepers” strengthened their hold over departments and the specialized research of the leading academic journals (Mills,1959).

Specialized Academic Disciplines as Vehicles for Cultural Imperialism

US social science with its disciplinary specializations became the ‘model’ for academic “reform” throughout the world. Generously funded by government agencies and private foundations, hundreds of thousands of overseas graduate students came under US academic tutelage. Those who returned to their home country spread the gospel that “serious social science” involved modelling, specialization, narrow focus empiricism and reorganizing faculty into “modern” departments within disciplinary boundaries.

In many of the newly independent countries, like India, the Philippines and Indonesia intellectual debates and confrontations emerged between Marxist academics pursuing political economy approaches and the newly minted overseas “PhDs” who operated within the boundaries of their specializations. The debate was

imbued with a strong ideological undertone: supporters of imperial modernization versus advocates of anti-imperialist social revolutions versus nationalist developmentalists.

The practitioners of narrow focus empiricism assumed the mantle of “rigorous scientists” and accused their Marxist colleagues of being “ideologues”. The latter in turn responded by accusing their critics of abdicating their intellectual responsibilities by failing to face up to the “big picture”, the large scale long term structures of an imperial-centred political-economic universe.

In the beginning of the post-colonial period, in the heat of the independence and national liberation struggles, the Marxists had the upper hand. Over time, especially with the onset of neo-liberalism from the 1980’s onward, social and humanities studies were taken over by several variants of ‘specializations’ – the micro analysts of markets and “civil society”, the post-modern academics describing multiple identities and debating how many ethno-racial-gender-caste-class identities could be articulated in a social formation. Overseas and corporate funding flooded the academic marketplace – promoting specializations which served corporate and state interests over the holistic approaches of critical political economists.

Class Power and Rise and Fall of Academic Paradigms

The fortunes of competing paradigms and styles of research, the rise and decline of political-economy or disciplinary specialization, was not decided merely by the logic of evidence and success in predictability within academic circles. To a large, but indeterminate extent, the prominence and pre-eminence of one or the other approach were determined – sometimes directly others indirectly - by large scale historical changes in the world outside of academia.

Challenges of Political Realities and Myths of Autonomy of Social Sciences

The overt influence of political power over the direction of social studies in the US is a case in point. With the onset of US

imperial supremacy after World War II and the economic boom which followed, in the context of rising income, debt fuelled consumerism and a de-radicalized bureaucratized labour movement, social sciences were increasingly confined to 'departments' and disciplinary specializations. Nineteenth century political economy programs were transformed into 'Government Departments'. The latter were intent on training future functionaries into the operations of government or as pollsters and pundits analysing voting results. By definition, studies of "ruling classes" were ruled out, by the ruling dogma of "pluralist democracies". The publication of *The Power Elite* by C. W. Mills(1956) was the rare exception. Needless to add, this magisterial interdisciplinary study was condemned by academic "gatekeepers" as lacking "scientific" merit.

With the onset of the 1960's and the US - Indochinese war and the massive and sustained Afro-American revolts, the younger generation of undergraduates and, especially, graduate students organized mass protests. These movements challenged imperial and racist state practices and the 'specialized fragmented lectures and readings which ignored the large scale structures of power. Students demanded readings and studies of the military-industrial complex, the segregationist social and the political power structures and the closed elitist political institutions which dictated wars independently of the attitudes of youth conscripted as cannon fodder.

The formal academic institutions and prestigious professors refused to budge: the new realities of imperial wars and black uprisings failed to register in the prestigious academic journals. Between 1964 – 1975, the period of the most intense imperial and racial warfare, engaging over 500,000 US troops (5 million over the 11 year war) in Indochina and 130 black uprisings (including violent combat 4 blocks from the White House in Washington D.C.),the *American Sociological Review* (ASR) and the *American Political Science Review* did not publish a single article describing and analysing the political, economic and social dynamics of the national liberation struggle or the ruling class's imperial strategy or the dynamics of popular racial revolts (Petras, and Davenport,1992).

In the face of such obtuse institutional rigidity and political irrelevance, students and younger faculty organized “teach ins” where the larger questions of world-historic significance, the political economic structures of empire and racism (among others) were discussed, debated and interpolated in an inter-disciplinary context. Non-academic weekly and monthly publications proliferated. As well, what the Popes of academia deemed ‘second tier’ academic journals, published articles on the issues of the day. The social sciences entered into crises by the early 1970’s (Gouldner, 1971).

The cultural-intellectual breakthrough continued, however, in diluted form in the aftermath of the first major US military defeat in Indo-China and the opening of ‘white society’ to an emerging black bourgeoisie and middle class. However with the onset of the neo-liberal offensive in the Anglo-American world during the Reagan-Thatcher period, mainstream specialized academia regained hegemony and went its way in specialized arcane research and policy studies for the imperial state and corporate financial sponsors.

Rise of Variants of Inter-Disciplinary Studies: Corporate or Critical?

Policy elites of empire and multi-national corporation are increasingly aware that politics is entwined with economics, that ‘soft power’ (culture) complements ‘hard power’ (military intervention); that ideological hegemony is less costly than military invasions. Leading political and corporate decision makers are demanding academics pursue ‘holistic’, ‘interdisciplinary’ research to serve a sprawling empire covering diverse cultures, economies at different levels of development and political risks resulting from burgeoning social movements (Petras and Veltmeyer, 2011). Once again “political realities” outside academia influence the style, form and substance of research paradigms. Inter-disciplinary studies are in demand from the corporate end of the political and economic spectrum. Neo-liberalism needs political-economic and cultural knowledge for opening markets; displacing indigenous peoples to

exploit extractive and industrial activity; knowledge of consumer tastes to further sales and a whole host of other profit making activities.

A new kind of 'political economy' has come into demand, no longer centred in the quest for social emancipation but carried forward in the name of capitalist modernization, state deregulation and free markets. The language of "globalization" replaces the more precise concepts of imperialism and empire-building.

In the new millennia "global studies centres" bring together different disciplinary departments to further corporate management research agendas. Political economic consultoria are established to 'get the big picture straight' for global empire builders. Ex-Marxist economists advise on how to compete in the world market. A host of new and varied 'interdisciplinary' approaches emerge to promote old and new imperial empires along with centres of post-modernism. What distinguishes the new interdisciplinary centres from the earlier critical political economy approach is not only the class point of departure (which is not usually acknowledged by the contemporary practitioners) but the method by which programs are put into practice.

Critique of Neo- Liberal "Interdisciplinary Studies"

Bringing together political scientists, economists, sociologists and humanities professors to present their views and to articulate their 'perspective' simply repeats what otherwise takes place in the fragmented specialized disciplines. This approach neither transcends the limitations of disciplinary boundaries nor provides a new theoretical paradigm to inform teaching and research. The units of analysis are still derived from the organizing principles of narrow disciplinary paradigms.

The development of an interdisciplinary paradigm requires a conceptual framework which looks at the dialectical interplay of state structures, class and productive systems in a world-historical context (Ollman, 1993). Economic institutions are defined by the classes which own and/or control them and which influence or determine state policies. At the same time state policies, promote,

demote or repress different classes; and the emergence and/or decline of one set of economic sectors over another. Likewise, the predominance of one type of economic institutions brings forth a set of classes who orient the state to subsidize and finance a strategy which maximizes their growth and profits. The interplay of domestic classes, national states and dynamic economic institutions are conditioned by the development of expanding or stagnant world markets and competing classes, states and economic enterprises.

The dynamic interaction of domestic and global factors of power are in turn influenced by historical processes; the rise and decline of empires; the use and abuse of new technologies embedded in productive or speculative institutions; the impact of class, caste and national struggles and imperial wars; the changes induced by economic and financial crises. This entire ensemble is defended or attacked by cultural analysts, who provide an ideological justification or critique which reinforces or undermines the operations of the totality.

Some Entailments of Theorizing

Etymologically, theory comes from the Greek *theoria*, the meaning of which comprises not only the process of “looking at,” “viewing,” “contemplating,” or “speculating,” but also the very object perceived, “a sight,” “a tableau,” or “a spectacle.” These meanings imply a distinct attitude vis-à-vis what is theorized. Spectacles are created to be seen and discussed, not to be altered. Spectacles are in front of the viewer’s eye. In such accounts of theorizing, the use of ocular metaphors entails a tacit *preference for sight* over sound, touch and feelings, and it assigns secondary importance to voices, to stories, to oral traditions and to practical knowledge. It is no accident that we speak of scientific “observers,” not of scientific listeners. There is no auditory or tactile analogue to “observation” and, although reading and writing would be difficult without sight, we tend to exclude them when we speak of observing things.

As spectators, *theorists observe but do not allow themselves to enter their domain of observation*. Consequently, theorists endow facts, naively

conceptualized as residing outside of us, the power to determine which theories are valid. It is the belief in this ontology, and only that, which ultimately justifies claims of being able to theorize facts for what they are, without preconceptions and without accountability to those who may be affected by these theories.

Since the 17th century, science has become increasingly “successful” in disconnecting theory from facts and observation from practice, notwithstanding that etymology links “fact” to manufacture. Perhaps with the exception of hermeneutics and constructivism, all scientific methods operationalize the derivation of theories from observational data. Aside the rare admission that data depend on theory, I know of no formalization of this reverse dependency or interactions between the two (see Woolgar, 1993:36, 53-66).

Ethnographic analyses of scientific practices reveal the cherished uni-directionality in proceeding from observations to theories to be a myth (see Garfinkle, 1967; Garfinkle et al., 1982). But overcoming this uni-directional conception would seem impossible as long as theories are stated in terms of an extensional logic, such as the logic of propositions, or modelled by computers, which are sequential machines that embody the very same logic. To preserve this uni-directionality of scientific discourse against the threat of vicious paradoxes, Bertrand Russell invented his famous Theory of Logical Types, which has the effect of outlawing self-reference. It is this restricted notion of logic and of language that places scientific observers at the top of logical hierarchies, that conceptualizes description top-downwards, and that leads theorists to believe *they could observe their world without being observed by the objects of their observation*.

The ocular metaphor is so prevalent within the scientific community that theorists are encouraged to keep their distance not just to the observed but to their theories as well. A case in point is the distinction between theories and beliefs. In scientific texts, theories appear as more or less confirmed hypotheses--each having a calculable probability, however small, of being invalid. Not so for beliefs. When we theorize, we theorize *about* something. When we believe, we believe *in* something. In beliefs, the emotional

detachment that theorists claim to have vis-à-vis their theories is erased in favour of the virtual certainty that things are the way they are *seen and spoken of*. In the words of Stanley Fish (1985:116), “[a] theory is a special achievement of consciousness; a belief is a prerequisite of being conscious at all. Beliefs are not what you think *about* but what you think *with*...it is within the space provided by their articulations that mental activity—including the activity of theorizing--goes on. Theories are something you can have--you can wield them and hold them at a distance; beliefs have *you*, in the sense that there can be no distance between them and the acts they enable.” The truths of theories may be pondered; the truths of beliefs are held.

Contrary to popular conceptions of theories as accurate representations, theories are attractive because they exceed their domain of observation in at least five ways: (i) Theories *generalize* to cases claimed to be similar to those observed. Yet, without further observations, no assurance is available that the unobserved cases would support a theory’s claim. Therefore, generalizations rely on a good deal of belief. (ii) Theories *predict* under the assumption that the patterns observed in the past will persist into the future. Belief in such continuities has much practical value but, as Francis Bacon already noted, they are ascertainable only in retrospect. (iii) Theories *integrate* several propositions into a single coherent network and (iv) they *generate empirical hypotheses* from very few quasi-axiomatic propositions. (iii) and (iv) are predicated on the belief that the logic of propositions corresponds to the logic of the world. According to Carl Hempel (Mitchell, 1985:7), (v) theory tends to be taken as “a complex spatial network [that] floats, as it were, above the plane of observation and is anchored to it by rules of interpretation.” Yet rules of interpretation always are the rules of a theorist or of a community of theorists, not of an observed nature. They allow theorists to justify omitting details deemed irrelevant, accidental, unique, inconsistent, or subjective; filling in of the gaps of missed observations; or smoothing the rugged curves--none of which is derivable from observation and measurement.

Politically, the more territory a theory covers the more it is preferred, the better it will be remembered, and the more likely it

will be applied. Thus, theorizing supports a *conceptual imperialism*; the urge to oversee, predict, control, and govern ever growing territories (Krippendorff, 1993)--an inkling that science shares with other forms of government in national, spiritual, or commercial spheres of life. True, theories by themselves neither reign nor rule. Once institutionalized, however, they do encourage their users to “survey,” “capture,” “represent,” “monitor,” and ultimately “manage” if not “discipline” what they claim to describe. The underlying logic of propositions, especially its Theory of Logical Types, encourages the construction of logical hierarchies of ever-increasing levels of abstractions, from objects to language, to meta-language, to meta-meta-language, and so forth with theorists being comfortable only at the top.

Foucault’s (1977) metaphorical use of the *panopticon* in accounts of how knowledge works in society is telling. The panopticon is an ideal prison design that enables centrally located guards to monitor the behaviour of all inmates who in turn can see only the guards observing them, but not each other. Here discipline is assured by the efficiency of observation. In taking this design as a metaphor to explore power relations in society, Foucault equates knowledge and theory and carries its built-in ocularity to its ultimate socio-logical conclusion: the government of one view at the expense of all others.

Theories are also expected to be rational and consistent, ideally in the form of mathematical expressions, as systems of equations for example. Formalizations of this kind have the double advantage of being computable in principle and of sparing one the complications of context and meaning. Mathematical theories provide the backbone of the natural sciences but have made inroads also in efforts to explain social phenomena, in economics, linguistics, psychology, and systems science, for instance. While rationality and consistency are considered twin values of scientific explorations, they are also two different aspects of the monologism that theory implies. Being “rational” is tantamount to speaking in the voice of one’s community, a voice that is assumed common to all of its members and sanctioned as such. Rationality defers one’s own voice to a fictional authority. Being “consistent,” on the other

hand, is tantamount to avoiding contradictions among the propositions of a theory. Consistency entails the belief that a single overarching logic could govern the phenomena a theory claims to be about. The requirement that theories be both rational and consistent thus reduces them to *monological* constructions in the dual sense of being the product of a single *voice* and of being cast in terms of *one (coherent) logic*. This has considerable implications for social theorizing.

Theorizing the “Other”

(1)Theorizing gives birth to distant otherness.

As generalizations, theories classify observations and theorize people in terms of third person plural. “They” are the subjects of experiments, the interviewees of surveys and the respondents to mail questionnaires. “They” also are the conservatives, the unemployed, the Catholics and the terrorists. All of “them” are labelled and assigned to particular classes on account of characteristics all members of such classes are assumed to share. Classification already begins at the data generating stage of social research. In interviewing, for example, neither the identity of the interviewee nor that of the interviewer becomes data. For fear of biasing the data, personal knowledge, which could emerge when experimenters come too close to their subjects, is systematically repressed. In the theatre, spectators have no problems distinguishing between actors and the characters they play on stage. But in social research, individuals are the very categories that a theory provides for them. Where individuals do identify with a group, belief, or trait, theorists are not prohibited from dismissing such declarations as subjective, lacking abstraction, or irrelevant to their theory. When quoted, individual voices are taken to exemplify the voice of a class. This is accomplished by channelling a polyphony of voices into a single artificially constructed voice—one for each class or category of the theorist’s choosing. Classes never speak, however; only individuals do, albeit always to others, even when they are virtual. In the reality of everyday life, collective monologues, choruses for example, are extremely rare. To take such

exceptions as a norm for social scientific insights attests to the artificial and unsocial nature of theorizing.

In everyday languaging, third person pronouns refer to those absent. Theorizing makes this absence a virtue that gives theorists the freedom to characterize others in ways radically different and inferior to themselves. Whether one calls this a professional disability (a deafness to individual voices or an institutionalized disrespect for otherness), theorizing is responsible for estranging others from us.

(2) Theorizing trivializes others by reducing them to obedient mechanisms.

As spectators, social theorists observe human behaviours, including verbal interactions, from outside the spectacle. From this perspective, behaviours appear as linear sequences, temporally ordered chains of events, or trajectories in a Cartesian space within predefined coordinates. To understand trajectories, natural scientists seek to discover their regularities. However, talk of “regularities” assumes that they are followed without choice in the matter and talk of their “discovery” that they existed prior to observation and measurement. Such assumptions are not only built into mathematical theories of behaviour and inscribed into computational techniques for analysing behavioural data, they can also enter less formalized talk of social causation. For example, plays are usually scripted and scripts explain much of what theatre audiences end up seeing. But for the strict determinacy of machines, scripts are to performances much as computer programs are to computations. They are in control of the plot. Describing human behaviour in terms of scripts, rules, and grammars, even as reactive to messages, conjure the determinism of obedient mechanisms. Since spectators can never be sure of whether, when and to what extent an observed behaviour is minutely scripted, a response to unobserved conditions or improvised, deterministic accounts have no observational basis. They are a matter of preferences--unless theorists step out of their observer role and ask pertinent questions. However, even the Turing Test, designed to distinguish machine from human intelligence, is never quite conclusive. Its use has

taught us that interaction is a necessary but not a sufficient condition to determine the presence of human intelligence or agency. Yet, theorists cannot afford this interaction. It would shift the authority for theorizing to the subjects being observed and erode the theorists' objective observer status. Thus, theorizing remains stuck in causal and mechanistic explanations of human behaviour, from which that of the theorists is excluded.

Without engaging theorized others in conversations on the theories being developed about them, social theorists are remarkably free to explore any theory that would be of interest to their community. Although novel conceptualizations may not come easy, from the convenient position of an outside observer it is all right for sociologists like Goffman (1959, 1963) to describe social interactions in dramaturgical categories; for psychologists like Schank and Abelson (1977) to interpret the same behaviour in terms of individuals following rules and scripts; for literary scholars like Hirsch (1967) to extract intentions from an author's writings; for cognitive scientists to develop algorithms that are presumed to govern individuals' processing and exchange of information; or for economists and political scientists to measure the efficacy with which actors apply available resources. Without consulting the constituents of the social phenomenon of interest, almost anything goes.

(3) Theorizing inscribes its monologism into its observational data and creates the very unsocial conditions in which theories can survive.

At moments of contact between the theorist and the theorized, social research invariably depends on collaboration and dialogue. Human subjects can be used in scientific experiments only by informed consent. Yet, after signing a consent form, their ability to understand the nature of their involvement and to say "no" to practices they might consider unconscionable is rarely ever called upon again, does not enter the data, and has therefore little chance to inform a theory that speaks to these subjects' capabilities. To uphold the notion that theory is responsive to observations only, the dialogical nature of the actual contact must be hidden and the

collaboration needed to conclude an experiment concealed. Or consider interviewing. In this asymmetrical interaction, the interviewer asks questions and the interviewee is expected to answer them. Interviewees are allowed to speak only within the narrow confines of what is relevant. In effect, interviewees are being *used* to support the point researchers intend to make, and in the course of this exploitation, the asymmetrical power relations are necessarily and irretrievably inscribed in the data on which theories are constructed.

Deception of informants as to the purpose of their participation in a research project, questions that are irrelevant to an interviewees' life, and contrived stimulus conditions to which subjects are asked to respond, affirm the essential asymmetry, artificiality and unsocial conditions that spawn the data for social and psychological theories. These power relations creep into the data making process in obvious violation of the idea of theory as observer-independent. In fact: *theorizing subjects its subjects*. It renders them *serviceable* (Sampson, 1993) *to theories that end up demonstrating little more than how well theorists have managed to disable the social nature of human beings*. True, submitting to authorities and following instructions is part of what we can do. But replicating these less than desirable human conditions at the expense of human agency, for the sake of theorizing, amounts to political suicide for the social sciences.

(4) Theorizing nurtures a culture of blindness to the political nature of theory—for theorist and theorized alike.

The social sciences are concerned with the ways human beings *can* live together: Sociology, with how people organize themselves into larger wholes and coordinate their actions in ways that sustain these wholes; Political Science, with how people create publics, arrive at consensus on agendas, mandate their leaders to form governments; International Relations, with how peoples perceive each other across national boundaries, resolve international conflicts, and regulate the myriad of interactions between diverse constituencies of nation states; Communication Research, with how people construct, sustain and transform their social realities by

communicating with each other. But none of these social phenomena can be understood by straight jacking people into mechanistic conceptions and removing from them the spaces in which they interact with one another. The celebration of theory, the use of ocular metaphors for knowing, the reliance on extensional logic, and the naturalness with which people accept confinements during data making processes, all have become part of a culture that suppresses the awareness of the political nature of theories—not only for theorists but also for all those who see each other in these terms. The culture of theorizing makes it difficult for the social sciences to reflect on its social nature.

This self-defeating consequence of theorizing is not recognizable from within a representational notion of language, a notion that philosophers like Wittgenstein, Austin, Searle, Bakhtin, and Rorty have systematically challenged in preference to less abstract and dialogical conceptions. Their critiques centre largely on the fact that words are actions too and that languaging accomplishes things beyond describing them. Reentry adds a cybernetic spin to their critique, showing that languaging is recursive. Where language informs action, theories are likely to become self-validating. Under these conditions, generalizations of others, whether published in scientific journals or disseminated in the mass media, provide fertile ground for social prejudices to arise and to become truths that easily can subordinate, discipline, marginalize and criminalize others for their otherness.

It is always possible to contest and reject a claim. However, in view of the authority that scientific theories conjure in our culture, contesting them would go against a whole complex of deep-rooted cultural beliefs. Among them that theories have but one legitimate interpretation and that theories are shaped by observations, not by theorists. The latter belief leaves no real target for challenges; the former makes political considerations seem irrelevant.

Whenever scientific accounts concern specific populations—be they the homeless, women, homosexuals, Afro-Americans, Catholics, teachers, consumers, or Arabs—they can achieve two things: in the immediate, they can entice “us” to treat “them” in the categories these accounts employ. In the long run, this treatment

can transform “them” into the homogenous groups we claim “they” are. Self-validation or reification is typical in the social sciences. As Giddens (1984) observed, has not the mere metaphorical use of the term “market” in 19th century academic writings about economic activities ended up materializing that reality in ways that, today, neither economists nor CEO’s would dare to question? Has not our conception of “the public” shifted from what was discussed in salons and side street cafes to what scholars theorized as public opinion and then encouraged polls to measure? Has not the use of hydraulic and archaeological metaphors in Freud’s writing of the human psyche produced a whole industry of psychotherapists and their clients for all of whom mental disorders have become as real as they can be? Have not the theories of consumer behaviour and of mass media consumption, so avidly embraced by advertising agencies, brought forth the very consumerism that these theories needed in order to survive by creating the very passive audiences that theories of mass communication are so good at describing? Do not correlations reported between intelligence, ethnicity and crime, together with genetic explanation, inform educational policies and hiring practices that keep such correlations real, well beyond published data. And do not statistics of cultural, racial, sexual, and national population characteristics inform and reify the very distinctions that statisticians build into their survey instruments and then naively “discover?” Is it then not likely that theories, which cannot but describe human nature in mechanistic terms, create the very cultural dupes needed for television to work, abet the very behaviours needed for institutions to persist, discourage people from contesting scientific theories about them, and create obedient citizens who might differ in whom they vote for but not in how they could be influenced?

This is the reality we face. I am not suggesting that the project of the social sciences is doomed. Rather, if theorizing does continue to dominate our understanding of other human beings, it unwittingly installs an intellectual imperialism in our social world that silences the voices of the theorized, prevents us from engaging in meaningful conversations with those who constitute the social

phenomena we wish to understand, and risks depriving us of the only source for understanding of how social phenomena come to be.

Eurocentric Social Science=Imperialism?

Recent debates on imperialism have focused on the means by which Euro-American capital is spread around the globe. The Economic Partnership Agreements being foisted on the African, Caribbean and Pacific countries by the European Union, however, has been under the radar. It's not just the theories, or philosophical fashions that are globalized, as the origins of these are fairly easy to spot. Instead, what Bourdieu and Wacquant note really escapes scrutiny is the sudden, apparent globalization of seemingly technical terms and single concepts such as "multiculturalism." We all end up on the same page either way, speaking an international *lingua franca* that is historically and ideologically situated within the authorized mind-sets of a dominant world power (Bourdieu & Wacquant, 1999, pp. 43-44). Here they move us from Eurocentrism to its more contemporary and specifically American variant.

Where Immanuel Wallerstein finds liberalism as the underpinning of the geoculture of the capitalist world-system, rooted in Eurocentrism, Bourdieu and Wacquant (1999) find their counterparts in the hegemonic theories current in academia. They speak of commonplace notions and theses *with which* one thinks, but *about which* one does not think (Bourdieu & Wacquant, 1999, p. 41). And why not? The reason is simply that:

"Cultural imperialism rests on the power to universalize particularisms linked to a singular historical tradition by causing them to be misrecognized as such". (Bourdieu & Wacquant, 1999, p. 41). And, as such,

"these presuppositions of discussion which remain undiscussed, owe much of their power to convince to the fact that, circulating from academic conferences to bestselling books, from semi-scholarly journals to expert's evaluations, from commission reports to magazine covers, they are present everywhere simultaneously, from Berlin to Tokyo and from Milan to

Mexico, and are powerfully supported and relayed by those allegedly neutral channels that are international organizations...and public policy think tanks.” (Bourdieu & Wacquant, 1999, p. 41).

The work of “theorization” not only abets but furthers the universalization of certain texts, while obscuring their historical origins. Bourdieu and Wacquant are here essentially in agreement with what Wallerstein argued in terms of the Eurocentrism of the social sciences, taking it deeper and linking it to a form of epistemic colonialism. As they explain it,

“these commonplaces of the great new global vulgate that endless media repetition progressively transforms into universal common sense manage in the end to make one forget that they have their roots in the complex and controversial realities of a particular historical society, now tacitly constituted as model for every other and as yardstick for all things.” (Bourdieu & Wacquant, 1999, p. 42)

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Anthropology and Imperialism

Anthropology emerged from the colonial expansion of Europe. Colonialism structured the relationship between anthropologists and the people they studied and had an effect on methodological and conceptual formulations in the discipline. For example, the role of “objective outsider” with its resultant professional exploitation of subject matter can be viewed as an academic manifestation of colonialism. It is for this reason that Professor Carole McGranahan, during her lecture on Frontiers of Cultural Anthropology on

October 18, 2010, called anthropology the “handmaiden of colonialism.” Many colonial officials conducted anthropological research in order to govern the natives.

The methods of anthropology used during this time of globalization theory have changed dramatically. But the theoretical substance remains the same-to stereotype and control the dominated people and render them safe for exploitation. Colonialism often had as much cultural influence on a colonized land as political and economic influence. Colonialism interfered with local values on how women should dress, who can marry, how men should treat women, etc. Many colonial practices did not involve any consideration for local culture. Colonial officials drew land boundaries in ways that split ethnic groups between two nations, imposed taxes on natives that jeopardized their ability to work for themselves (like the rubber tax in King Leopold’s Congo that required natives to harvest rubber for the colonists), and often monopolized on natural resources so the natives had no way to profit from their own land.

Indeed, colonialism and anthropology are linked very closely. One rose out of the other. The British and French Empires were two of the largest and longest lasting empires in history. The British Empire was said to be one in which the “sun never set.” It covered a fifth of the world’s land surface and ruled a fourth of its population. The French empire covered 4 million square miles and included nearly 60 million people. Both empires had two distinct phases. At the end of World War II, many countries in Asia and Africa gained independence rather quickly. Most third world and developing countries today were once part of European colonialism. The reasons for colonialism included slave labour, extracting resources, expanding territory and military power, and the spreading of European religions (mainly Christianity). Today, postcolonial countries still face many problems of domination and exploitation. The effects of colonial rule are still being felt in those areas since most third world and developing countries today were once part of European colonial imperialism.

The imperialism of anthropology, I would argue, is not simply based on the role of anthropologists in the service of this or that

colonial administration. If that were the mere extent of the relationship, then that would be good news. Instead the relationship goes much deeper, one that is more structural, and less a collection of individual tales from the field. Anthropology was born in the Western world and institutionalized in a specific manner, in particular universities, at a critical point in capitalist world history. Interestingly, for those who study imperialism in the media, and the rise of visual anthropology, this was the same period that marked, as Shohat and Stam (2002, p. 117) put it, “the giddy heights of the imperial project, with an epoch where Europe held sway over vast tracts of alien territory and hosts of subjugated peoples.”

Like cinema, institutionalized anthropology also emerged at the end of the 1800s, as the U.S. conquered the Philippines in a bloody war that some say killed at least 200,000 people in outright fighting, and as many 1.5 million people in the first four years of occupation; born around the same time as the American massacre of the Sioux at Wounded Knee in 1890; at roughly the same time as the 1884 Berlin Conference, when European powers agreed on the division of Africa into colonial possessions; again, in the same period as the British occupation of Egypt in 1882, and the Battle of Rorke’s Drift between the British and Zulus in 1879. The leading cinema-producing countries, were also the leading imperialist countries, and the leading seats of anthropology: Britain, France, Germany, and the U.S. Imperialism provided the subject matter, the supporting structures, the dominant conceptual concerns, and the motive for anthropology.

Institutional anthropology has been located within one particular centre, specifically a North American and northwestern European one. In terms of the continued dominance of American anthropology in particular, one has to bear in mind the sheer quantitative dominance in terms of number of scholars, number of university departments, associations, conferences, journals and research funds, a dominance that is so massive in quantitative terms that it acquires a qualitative value. The very fact of “world anthropologies” makes reference to this domination, and is supposedly, presumably, an answer to it.

Social Sciences, Eurocentrism and Imperialism

In January 2010, the Department of Sociology (DoS) of Delhi University formally inaugurated a brand new European Study Centre at its premises funded by the European Union. The Centre would help in the 're-design of the existing sociology syllabi of the M.A. and M. Phil program at DoS' in consultation with European scholars. The Europeans were willing to pay 300,000 euros for the two-year program of the Centre (See: <http://www.iescp.org/index.php/events>). The question we may rather impolitely ask is: Where was the need for such a program when it is considered that the DoS, like every other university department elsewhere on the planet, has been teaching European sociology since the days it was first set up? I will simply use the ideas eloquently articulated by Claude Alvares, author of *Decolonizing History*, which severely knocked down Western interpretations of societies like India and China, to answer the question. These telling ideas are extracted from his presentation at the International Conference on 'Decolonizing Our Universities' held in Penang, Malaysia, in June 2011.

As Alvares points out, intellectual dependence and servility came as a natural corollary of colonial rule. Today it is being welcomed because it comes buttered with hard cash from sponsors of research programs in non-Western countries. For cash-strapped universities mired in the now-almost-permanent age of structural adjustment, this appears to be the only option left for carrying on academic activity even if it means that one is forced to continue to make one's living by canvassing the products of other peoples' brains. There is not even a hint in the European Study Centre proposal that it desires a partnership between equals or that Indians will help Europeans deal with Europe's own social problems of which there is an abundance: for example, the integration of minorities, relationships between ethnic communities, alienation, problems of care of retired employees, domestic violence and alcoholism, etc.

We are still very much moving along a one-way street - with all the movement from the 'superior' or 'advanced' culture at the core

to the ‘inferior’ or ‘deficient’ culture at the periphery - because that is how knowledge continues to flow in the global university knowledge system. No wonder the United Nations Educational, Scientific and Cultural Organization (UNESCO)’s World Social Science Report 2010 concludes that for all practical purposes social science research outside the non-European world is so insignificant in quality it is rarely cited. The complete text of the UNESCO World Social Science Report that I downloaded from: www.unesco.org/shs/wssr points out that North America cited zero research from both Asia and Africa.

Political imperialism may find fierce resistance today (Iran, Vietnam, Afghanistan, Egypt, Zimbabwe), but academic imperialism has not, probably because it is almost invisible. On the contrary, it appears to have increased in intensity and outreach. Departments and faculties in almost all universities of the globe have—voluntarily or involuntarily—continue to pay obeisance to the objectives and methodologies of social science generation prevailing in Western academic circles. Farid Alatas in his “Alternative Discourses in Asian Social Science (2006, p.13) refers to the latter appropriately as ‘social science powers’. Their output even today continues to reflect principally the concerns of Western scholars. Much of present-day social science in non-European universities is nothing more than the mindless study and re-study of the dead corpus of sociological knowledge generated in response to ethnocentric or peculiarly European perceptions of situations often decades or centuries old.

Even where academic work in Asia or Africa may nowadays sometimes reflect local issues due to the efforts of individual researchers who wish to do meaningful, independent work, the methodologies applied and theoretical frameworks still remain firmly Euro-American in character. Independence from colonial rule has had little or no significant consequences except for providing opportunities to jockey and fight to occupy chairs left by earlier intellectual overlords. Naturally, there is very little evidence of creative thinking or work, considering all move and have their being in an intellectually sterile wasteland.

Since the social sciences as we know them today are little more than unquestioned European perspectives for European social problems using the peculiar research tools and methods associated with Europe's intellectual history, can they ever be useful tools for the study of other societies with a vastly different range of problems as well as human experience? And what is the 'emotional' or 'spiritual' connection between this body of knowledge and the lives of people living in societies outside Europe?

One of the major consequences of this state of affairs is its effect on students who register at universities in various countries. They come to perceive the standard diets prescribed in courses as foreign, with little or no meaning or relevance to the world around them, especially to their inherited knowledge systems or to the meanings attached to important elements of their culture. They therefore see themselves compelled mostly to parrot the language of the discipline, to ingratiate themselves into its set phrases, vocabularies, slogans, categories and concepts (which change, like fashion, every few years) so that they can regurgitate it confidently when their time comes to address students as lecturers or professors. Competence and confidence are acquired only after years of subordination, uncritical and unquestioning acceptance and indoctrination.

Moreover, in form, the university everywhere has also lost its original character and purpose and become an upgraded version of the factory school in which knowledge is simply disseminated as a given and the student has little scope to create or contribute anything of her own. The European Study Centre at Delhi will ensure that young students can go for an all-expenses-paid six weeks' stay in Europe during which they will be given an opportunity to sniff the latest terminology in fashion during seminars and become au courant with the latest researches and concerns of the European academic community which still assumes that it is at the very top of the hierarchy of the social science imagination worldwide.

Two different societies

The result everywhere has been the generation of two wholly different societies owing allegiance to separate systems of knowledge and belief, even when they occupy the same single geographical space. In his remarkable work of anthropology *Mexico Profundo*, Mexican anthropologist Guillermo Bonfil Batalla (1996) made a critical reference to the 'imaginary Mexico' imposed on that society by Western scholars and academics. He called it 'imaginary' not because it did not exist, but because it denied the cultural reality lived daily by most Mexicans.

According to Bonfil, the lives of the 'de-Indianised' rural mestizo communities and also of the vast number of migrants living in the cities comprised what he called the *Mexico profundo*. This life was rooted in Mesoamerican civilisation based on its own food supply. Work in this society even today is understood primarily as a way of maintaining a harmonious relationship with the natural world. Health is related to human conduct and community service is often part of each individual's life obligation. Time is cyclical and humans fulfil their own cycle in relation to other cycles of the universe. You could say that for the *Mexico profundo*, Europe as a system of ideas to live by or as an ideal simply does not exist.

Though Bonfil's perception appears to be radical, his description of a society that functions distinct from the perceptions of overseas scholars and their local coloured cohorts could be applicable in every society of the non-Western world. In our country, we call it the 'other India' - larger than India and in the deepest sense, concerned solely with itself and wholly unconcerned about Europe. Eventually only two classes of people came to the conclusion that European science was the only successful foundation for the advancement of knowledge (and human welfare) in future: first, the Europeans (naturally); thereafter, the educated among the colonized, especially the academic community. Both for the wrong reasons!

Absence of objectivity

It is an elementary principle of assessments and evaluations that they must always be carried out - in the interests of objectivity and credibility - by persons unconnected with them. A person cannot be a judge in her own cause. But what do we find here? The assessments and evaluations of the West, of Western science, of the alleged dynamism and achievements associated with Western history are made by intellectuals, historians and writers from the West. They unabashedly glory in their own achievements, they become their own historians, they propose their own greatness, they themselves certify and celebrate the unique quality of their own way of life. The final act of hubris was a claim made fairly recently that American society symbolized 'the end of history', the end of evolution; that there was no further stage of human progress necessary or conceivable except endless refinements in technology.

The absence of objectivity has been taken to such absurd lengths that often entire histories of various human activities (ethics, science and technology, the arts, etc.) are compiled by Western writers which do not take into consideration even the existence of people from other parts of the globe. This ignorance of the role and intellectual contributions of people living outside the boundaries of Europe is on occasion admittedly due to a narrow or parochial education. But more often than not it is also because admitting the intellectual contributions of others would downplay the West's own claim to self-directed development up the ladder of human progress due to its innate cultural superiority over the rest of humankind.

Western academic social science is not irrevocable, divine, infallible or bestowed with greater epistemological significance than other intellectual traditions or ethno-sciences. It only appears so. The success of Orientalist discourse has been in precisely this: the peoples of India, Arabia and other lands are today convinced that the best interpreters of their history, their societies, their traditions are scholars and commentators from the West rather than people in their own midst.

Distressed by this wholesale mental capitulation and surrender of an entire generation of intellectuals, Syed Hussein Alatas (2006) wrote—several decades ago—a stinging evaluation of what he called ‘the captive mind’ in which he pilloried Third World intellectuals for their continuing obsession with imported and handed-down theories of knowledge which had little to do with their societies, their experience and their own intellectual traditions.

‘It is the final triumph of a system of domination,’ writes Ngũgĩ wa Thiong’o in *Decolonizing the Mind*, ‘when the dominated start singing its virtues’(1981, p.20). Significant resistance to intellectual colonization eventually came not from this captive and enslaved class of university-based academics but from the most marginalized groups, including the American Indians, the Maoris in Aotearoa (New Zealand), the Aborigines in Australia and Canada and a significant group of scholars from the African countries.

It also came from Islam, though in mixed ways, as most Islamic societies were eventually unable to resolve the issue of the compatibility of their religious traditions and Western (secular, positivist, materialistically oriented) knowledge. Muslims in fact got themselves certified in Western knowledge systems in droves. Even today Muslim countries remain profoundly schizophrenic about their approaches to Western knowledge, including philosophy, unable to restore the productive harmony between science and Islam that flourished during the West’s Dark Ages. Materialist Western knowledge - which denies the very existence of Allah - is taught side-by-side with Islamic theology, often within the same university.

In India, Western science including Western social science is accepted without question by its academic czars, signalling the complete intellectual defeat of its so-called thinking or academic classes. The country’s (so-called) ‘finest’ minds - those who qualify for the Indian Institutes of Technology (IITs) - are harvested in a handful of imported institutions that serve as unabashed recruiting grounds for production systems and economies abroad.

After the US became the dominant force in the world economy, educational curriculum dominance shifted to American universities and their academic formulae became the new testament for the rest

of the world, including now England. As the US naturally assumed control over what would constitute higher education, this implied that university content would now be sourced to patterns of thinking from a country which encapsulated little more than the worldview and concerns of a predominantly white male population which had established its dominance there through sheer uninhibited violence and which would tolerate the growth of only those other sections that were in grand sympathy with its views.

Uniform educational diet?

The problem faced by the white American education system in the 19th century was the lack of uniformity of what was being taught at different schools and colleges within the country. The diversity was finally settled by the report of the 'Committee of Ten' set up in 1892 under the chairmanship of Charles W Eliot, President of Harvard University. The subjects seen as necessary for a proper university education for people growing up in the United States were decided by this committee and they would thereafter rule the world of academia everywhere even up to our own times with minor modifications. The subjects and also the duration of time to be allotted for the teaching of these subjects were determined by the committee. The nine subjects were: 1. Latin; 2. Greek; 3. English; 4. Other Modern (European) Languages; 5. Mathematics; 6. Physics, Astronomy, Chemistry; 7. Natural History; 8. History, Civil Government and Political Economy; 9. Physical Geography, Geology and Meteorology (www.mathcurriculumcenter.org/PDFS/.../comm_of_10_summary.pdf).

What is important to note is that this attempt to create and enforce a uniform diet for all students of education in all countries - with diverse environments, intellectual histories and cultural traditions - was never questioned. The new curriculum was adopted everywhere because the modern university culture has retained a profoundly imitative or mimic character. Ngugi wa Thiong'o, for example, relegated most academic scholarship in Africa to exercises in 'apemanship and parrotry'. Let us use the case of Rabindranath

Tagore, India's distinguished man of letters, in fact, who wrote a telling story about a parrot more than a hundred years ago in which he thoroughly parodied the educational system. In the new culture, the printed textbook as an essential tool for learning naturally reigned supreme because these academicians were more comfortable with books than with the real world from which the text could safely isolate them. This facilitated further 'universalization' claims since local experience was not considered necessary for theory and the theory in any case came always from Western academia.

At no stage was there any critical questioning in our own societies of the directions in which the acquisition of knowledge had begun to proceed. Only the very prescient saw the terrible consequences for their own kind. A generally peaceful individual, Mahatma Gandhi was so outraged by the idea of turning his people into second-class Westerners that he declared in *Hind Swaraj* that 'deportation for life to the [penal colony of the] Andamans is not enough expiation for the sin of encouraging European civilization' (2008,p.89). As Vinay Lal (2002, p.143) notes, it is not at all surprising that the misery of human beings has increased in almost direct proportion to the spread of Western social sciences - from anthropology to geography and economics - in the rest of the world.

Imperialism has thus remained an intrinsic feature of the world knowledge system. As Ward Churchill maintains in *White Studies*: 'The system of Euro supremacist domination depends for its continued maintenance and expansion, even its survival, upon the reproduction of its own intellectual paradigm - its approved way of thinking, seeing, understanding, and being - to the ultimate exclusion of all others'(2002, p.25). Even today the power to maintain this dominance continues to be exercised in the form of controls over the textbook trade, the authentication of social science literature, the selective use or promotion of scholars, the suppression and discrediting of ideas from other intellectual traditions, unscrupulous misappropriation of such ideas when possible, and control of circulation of ideas through the peer group system which links both the publishing and journal industries. This

is the reason why Mahatma Gandhi, Tolstoy, Aurobindo, Mao Zedong and other eminent persons all worked on revamping the educational systems they inherited as an important element of their political work. Gandhi introduced the system of Nai Talim, in which students would work with their hands and learn and earn while doing so.

Conclusion: Objectivity and Political Commitment

The basic argument in this chapter is that social science, as we know it nowadays, is reductively 'Northern'. To become properly global, world social science must democratize to include significant Southern theoretical voices and debates. These have been disregarded and marginalized by a social science practising an ersatz metropolitan version of universality grounded in particular political, economic and cultural experiences of Euro-American values and belief systems.

To conclude, I would argue that one of the reasons why the founders of social science were so good is because they lacked the disciplinary constraint, or self-censorship, or disciplinary imperialism. Correspondingly, as Sayer (1999) suggests 'we might be better heirs to social science if we too shook off our disciplinary chains'. In other words, inter-disciplinary studies integrate in one body of theory the interacting structures of 'social life' (in the broadest sense of the word) and does so in a manner to promote social and political action and policies based on the class interests defined by the teacher, researcher or student (Veltmeyer, 2011).

There is no contradiction between objective interdisciplinary research and political commitment; between diagnosis and political advocacy and practice. Political commitments define the subject or object of investigation; rigorous interdisciplinary research will diagnose the conditions, institutions and policies which favour or undermine the advancements of the interests of the subject (Parenti, 2006, Ch.14). Interdisciplinary social science research may involve overt policy advocacy or not, but the findings will be available for those who act to further their class interests over others. The application of the interdisciplinary findings to political

practice is in large part shaped by the large political environment – especially the audience (the social classes) to which inter-disciplinary research is directed. It is at this level that social science may be imperialistic or liberating to its audience.

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Dissecting Globalization as a Scientific Theory

Overview

Globalization poses a fundamental challenge to traditional assumptions in that it is no longer self-evident that nation-states can be described as “self-sufficient schemes of cooperation for all the essential purposes of human life” in the context of intense deterritorialization and the spread and intensification of social relations across borders. An intellectual divide therefore characterizes the ongoing debate about the prospects of democratic institutions at the global level. Hence, since the 1980s philosophers and political theorists have been busy addressing the normative implications of our globalizing world. A lively debate about the possibility of achieving justice at the global level now pits representatives of cosmopolitanism against communitarianism. This chapter aims at dissecting the substance of these raging theoretical debates.

Introduction

‘Globalization’ was the *Zeitgeist* of the 1990s. In the social sciences, it gave rise to the claim that deepening interconnectedness was fundamentally transforming the nature of human society, and was replacing the sovereign state system with a multi-layered, multilateral system of ‘global governance’. 1979 was a hallmark year for the destiny of the contemporary Global Order. That was the year of a new *modus-operandi*: a way of controlling the world as have never been seen, a year in which Margaret Thatcher, the prime-minister of Great Britain implemented a Socioeconomic construct that embraced Economic Social-Darwinism, ousting classical theories of nation-state economics.

According to French Economic analyst Pierre Bourdieu (1998), *‘the neoliberal utopia tends to embody itself in the reality of a kind of infernal*

machine, whose necessity imposes itself even upon the rulers. They want independent central banks. And they preach the subordination of nation-states to the requirements of economic freedom for the masters of the economy, with the suppression of any regulation of any market, beginning with the labour market, the prohibition of deficits and inflation, the general privatization of public services, and the reduction of public and social expenses' (p36).

Tracing its conceptual pre-natal origins to Friedrich von Hayek, an Austrian Philosopher-Economist, it sprouted '*from a tiny embryo at the University of Chicago*' (George, 1999) developing into an expansive doctrinal network of internationally dispersed foundations, institutes, research centres, and academia whose sway today frame the World Order Agenda: the basis of the Washington Consensus. In 1979, Margaret Thatcher, the British Prime-minister, and a disciple of Hayek, developed this proliferating doctrine into a social and economic program, the justification for whose arbitration she coined under the acronym *TINA: There Is No Alternative*. Since then, neoliberalism has become an intercontinental alliance, forged under the auspices of a historically burgeoning agenda whose traces could be tracked through the joint movements and inclinations of the European banking order, social theorists, and political scientists and luminaries. Today, its deliberately orchestrated effect on the global political economy is as profound as it is subversive, as compelling as it is timely to examine.

Starting in the second half of the 20th century, neoliberal globalization (or neoliberalism in short) became increasingly prominent as a form of governance in countries around the world (Peters 2001). Originally, the roots of neoliberalism were planted by a classical political economy theory which advocated for markets (and thus people) to be completely liberated from any type of governmental interference (Smith 2009). "Free" competition and "free" enterprise were promoted as manners in which economies should be allowed to grow. Martinez and García (2000) contend that this "liberal" type of economic theory began to be adopted in the West throughout the 1800s and into the early part of the 1900s. The Great Depression of the 1930s and the development of Keynesian economics, though, temporarily slowed down the advancement of liberal economics. In recent decades, however, there has been a

revival of economic liberalism (or, *neoliberalism*) on a truly global level as countries around the world now either choose or are forced to engage in neoliberal governance. As a result of the growing hegemonic prominence of neoliberalism, there have been vast changes at the national-level, the international-level, and the individual-level.

At the national-level, neoliberal ideas have drastically changed how states operate. By heavily promoting market-based economies that highly value competition and efficiency, neoliberalism has moved countries closer to adopting social Darwinism. Under Thatcher and Reagan, for instance, Peters (2001) argues that neoliberalism directly led to the economic liberalization/rationalization of the state, the restructuring of state sectors, and the dismantling of the welfare state. As a consequence of these changes, the U.S. and the U.K. have seen things like the abolishment of subsidies and tariffs, the corporatization and privatization of state trading departments, a sustained attack on unions, and the individualization of health, welfare, and education. Although the idea that markets should fully dictate governments would have seemed ludicrous in prior decades (George 1999), Bourdieu (1999b) contends that neoliberalism as a form of national governance has become a *doxa*, or an unquestioned and simply accepted worldview. Harvey (2005) is thus not surprised that the ideas of capitalism have been infused into political, social, and cultural institutions at the state-level. By placing a mathematical quality on social life (Bourdieu 1999a), neoliberalism has encouraged formerly autonomous states to regress into penal states that value production, competition, and profit above all else, including social issues.

At the international-level, George (1999) argues that neoliberals have focused on three primary points: free trade in goods and services, free circulation of capital, and freedom of investments. Thus, neoliberal globalization means that there has been an emphasis placed on exchanges across national borders, financialization, and the development of international organizations as well as a transnational civil society (Bandelj, Shorette, and Sowers 2011). With the help of the International Monetary Fund and the

World Trade Organization, George contends that advocates of neoliberalism have essentially forced many countries to accept this framework. Such acceptance means that more states are now tacitly agreeing to promote the rule of the market, severely cut public expenditures, reduce governmental regulation, and embrace the concept of individuality even if this means casting millions (if not billions) of people aside and regarding them as “losers” in a zero-sum game (Martinez and García 2000). By adopting such an economic worldview, George warns that it is likely that the North-South gap and global inequality are likely to become more exaggerated in the years to come. Because neoliberalism leads to the globalization of financial markets (Bourdieu 1999a), it can further be expected that economic crises—built on the backs of short-sided neoliberal policies—will become more common and catastrophic.

At the individual-level, neoliberalism insists that rationality, individuality, and self-interest guide all actions (Peters 2001). In fact, neoliberalism often views itself as a global social science capable of explaining all human behaviour since all behaviour is thought to be directed by logical, individualistic, and selfish goals. Neoliberalism’s focus on the individual means that ideas related to things such as “the public good” and “the community” are now being discarded as unnecessary components of a welfare state (Martinez and García 2000). Unsurprisingly, then, unemployment, inequality, and poverty have become increasingly blamed on individuals rather than on structural constraints (Passas 2000). Because we are turning away from the role of the community and instead focusing solely on individuals, Bourdieu (1999a) contends that social problems like suicide, alcoholism, depression, and domestic violence will consequently become increasingly prominent. Still, the outward attractiveness of individual freedom, prosperity, and growth makes it challenging for the public to realize that neoliberalism is designed to benefit only a very small class of people (Harvey 2005). Such a worldview also makes it easier to justify the thought that some people are deserving of much more than others because, after all, it is a common refrain that we are all responsible for our own destinies.

As can be seen from this brief description of neoliberalism and its repercussions, this ideology has led to many changes at the state-level, the international-level, and the individual-level. Such changes include the dismantling of the welfare state, the growing reality of global inequality, and the individualization of all actions. In spite of such negative outcomes, George (1999) argues that the hegemonic nature of neoliberalism makes it seem like the only possible economic and social order available. As a true doxa, neoliberalism has become an unquestioned reality as it now seems almost logical that the markets should be the allocators of resources, that competition should be the primary driver of innovation, and that societies should be composed of individuals primarily motivated by economic conditions (Coburn 2000). Against the onslaught of neoliberal ideals, some scholars such as Bourdieu and Harvey have argued that the populace must rise up and resist this ideology. Why?

Background to Neoliberal Globalization Theory

Globalizers build their theories around eight myths, namely:

Myth 1: Economic Globalization Is Inevitable

Advocates of economic globalization try to describe it as an inevitable process, the logical outgrowth of economic and technological forces that evolved over centuries to their present form, nearly as if they were forces of nature, like gravity. But while global trade activity and concepts of free trade have existed since the distant past, they do not nearly begin to resemble the volume, speed, form or impact of today's activities, nor were they as deliberately plotted and structured.

Economic globalization in the modern era is not some kind of accident of evolution; it directly emerges from a set of institutions and rules created on purpose by human beings for a specific goal: to give primacy to certain economic processes and values, and place them above all others.

In fact, modern day globalization had a birth date and a birthplace: Bretton Woods, New Hampshire, July 1944. That's when the world's leading economists, bankers, corporate heads, and

heads of western governments tried to create a new economic system, following the devastation of World War II. They decided on a globally centralized system with global corporations as the engines of economic growth.

New institutions were created with new rules and powers to help grease the pathways for the corporations. Out of the Bretton Woods meeting grew instruments that later became the World Bank, the International Monetary Fund (IMF), the General Agreement on Tariffs and Trade (GATT), the North American Free Trade Agreement (NAFTA), and now the World Trade Organization (WTO).

The primary function of these bodies is to place economic values above all others, and to establish rules that suppress the ability of nation-states to sustain laws that protect nature, workers, consumers and even national sovereignty and democracy if they can be construed as slowing down free trade. The net result is the greatest transfer of economic and political power from nation-states to corporations ever in history. But none of it is inevitable. All of it can be reversed once citizen movements and their governments realize the full consequences. To call what is essentially a collection of rules—very consequential rules—“inevitable,” is really designed to make everyone feel there is nothing to be done about it, thus promoting passivity.

Myth 2: We Need Globalization To Feed the Hungry

The globalization of corporate industrial-style agriculture has failed to address the world's hunger crisis; in fact, it makes it worse. During the past two decades, the total amount of food in the world has increased, but hunger rates have also increased, far faster even than population growth. The main problem is that globalization of food production is actually pushing small, self-reliant farmers—who now account for 40 percent of global food production—off their lands and replacing them with large chemical and machine intensive corporate farms. Evicted, landless farmers find themselves without jobs or money to buy food.

A 1993 study reported alarming percentages of rural families who now have insufficient land to support themselves or their

communities. In Peru, the number of landless or land-poor was 75 percent, in Ecuador 75 percent, 66 percent in Columbia, 32 percent in Kenya, and 95 percent in Egypt, among many others. Even in the U.S., we are losing a record number of family farms every year. The globalized industrial agricultural model does not emphasize food for hungry local communities. Instead, it encourages export economies resulting in monocultures—a single crop grown over thousands of acres. These crops are usually luxury high profit items such as flowers, beef, shrimp, cotton, coffee, and soybeans cultivated for export to well-fed countries. In addition, monocultures are notoriously vulnerable to insect blights and bad weather, and greatly contribute to soil infertility.

The big new trade institutions and agreements like the WTO and NAFTA—as well as the World Bank and the IMF—all strongly favour the transition of agriculture from small-scale, locally oriented diverse agriculture to large scale monocultural production, using heavy chemical and machine inputs, directed toward export markets. WTO policies of restricting direct payments to farmers yet encouraging subsidies for corporate export-oriented agribusiness brought global corporations into local communities, making survival difficult for small scale farmers in every country of the world. Once driven from their lands, it is a short route to urban hunger lines. Meanwhile, traditional livelihoods and communities disappear.

Industrial agriculture advocates also suggest that global biotechnology companies have the answer to world hunger. But biotech production is also a monoculture that does nothing to solve local hunger problems. It too produces luxury crops for export. Does anyone believe that the invention of biotech plants whose seeds are sterile—and therefore force farmers to buy new seeds every year—has something to do with stopping hunger? The biotech industry's goal is not to feed the hungry, only to feed itself.

A recent United Nations study confirms that the world already has enough food to feed the global population. The problem is one of distribution. Global trade rules put food production and distribution in the hands of agribusiness giants, supplanting the

traditional system of local production for local consumption. As a result, the world is producing the wrong kind of food for export to the already well-fed, by a process that leaves millions of people landless, homeless, cashless, and unable to feed themselves as they traditionally had.

Myth 3: Globalization Will Alleviate Poverty

This has been the theme strongly trumpeted since Bretton Woods; free trade and globalization will “lift all boats,” and end poverty. But in the half century since this big push began, the world has more poor and more hungry than ever before, and the situation is getting steadily worse as we approach the millennium. According to a recently published (September, 1999) UN report, global economic inequality has increased dramatically as a direct result of economic globalization and current rules of trade. “When the market goes too far in dominating social and political outcomes, the opportunities and rewards of economic globalization spread unequally and inequitably, concentrating power and wealth in a select group of people, nations, and corporations, marginalizing the others.”

Economic globalization creates wealth, but only for the few elite who can sit at the hub of the process, able to benefit from the surge of consolidations, mergers, global scale technology and financial activity. Recent figures confirm how it all works. Benefits are so concentrated that the number of billionaires in the world has increased by 25 percent in only the last two years; collectively these 475 individuals are worth more than the combined incomes of the bottom 50 percent. Three of these billionaires are now worth more than the combined GNP of all the UN-designated “least developed countries” and their 600 million people.

Of the 100 largest economies in the world, 52 are now corporations. Mitsubishi is the twenty-second largest economy in the world; General Motors is twenty-sixth; Ford is thirty-first. All are larger than the national economies of Denmark, Thailand, Turkey, South Africa, Saudi Arabia, Norway, Finland, Chile, etc., to name only a few. If anyone thinks larger corporations means more jobs, an Institute for Policy Studies (IPS) report shows that the

largest 200 corporations now control 28 percent of global economic activity, but employ less than one-half of one percent of the global workforce. This is because they enjoy tremendous efficiencies of scale, and new technology.

Here in the U.S., the story is much the same. Though the U.S. is reaping the greatest benefits of globalization of any other country, the benefits are not being shared. According to the Institute for Policy Studies, American CEOs now earn 417 times the wages of factory workers they employ. Between 1990 and 1998, CEO salaries increased by 481 percent, reports IPS and United for a Fair Economy. And the U.S. Federal Reserve now reports that the top 20 percent of the U.S. population owns 84.6 percent of all the wealth in the country. Some people point to the booming stock market and record low unemployment as evidence that economic globalization is working. But while the stock market has boomed, it actually does not reflect the reality of life for most people. Almost 90 percent of the value of all stocks and mutual funds owned by households is owned by the richest 10 percent.

Even in wealthy countries like the U.S., median wages have fallen steadily as the economy has become globalized. From 1983 to 1998, the Standard and Poors 500 Index grew a cumulative 1,336 percent. Although unemployment is low, the average worker is now earning ten percent less, adjusting for inflation, than he or she did in the early 1970s. Many need to hold two jobs to survive. Globalization exacerbates this trend by setting workers against each other all over the world to keep wages low. England actually now advertises that its wage levels are the lowest in Europe. So much for the rising tide that lifts all boats. Actually, it lifts only yachts.

Myth 4: Economic Globalization Increases Choice

The ultimate expression of choice is diversity, and economic globalization destroys both cultural and biological diversity. Globalization is homogenizing values and behaviours, producing a new global “monoculture,” just as it creates monocultures in agriculture. While economic globalization may increase consumer choices in some cases, it drastically diminishes our choices in almost every sphere of life. Also, domination of major industries by a

handful of multinational corporations makes it next to impossible for small, local producers to compete. When brands like Coca-Cola and Levi's proliferate around the globe they put local operators out of business, which limits consumer choice.

While Indian villagers may now have access to CNN and Baywatch, the dissemination of western popular culture by global media companies is destroying diverse local cultural and artistic traditions. Some would argue that the western cultural cloning now underway is the direct result of deliberate corporate intrusion into other nations. Corporate advertising portrays not-so-subtle images that glorify western taste, dress, food and lifestyle as being a sign of progress, while non-western traditional values and cultures are viewed as backward and out of date.

Myth 5: Economic Globalization Increases Environmental Standards in Developing Countries by Making Countries Wealthier

First of all, economic globalization does not produce wealth, save for a small percentage of people (see above). The wealth that is produced is rarely spent on environmental programs. Multilateral lending agencies set up to further the agenda of economic globalization, such as the International Monetary Fund and the World Bank, practically ensure environmental destruction. The conditions attached to loans from the IMF and World Bank require that governments open up their natural resources to corporate exploitation and cut spending for environmental programs. In any case, some kinds of environmental destruction cannot be reversed through increased expenditures. No amount of money can bring back species pushed to extinction.

Globalization is inherently destructive to the natural world because it requires that products travel thousands of miles around the planet, resulting in staggering environmental costs such as unprecedented levels of ocean and air pollution from transport, increased energy consumption and use of fossil fuels (furthering climate change), and increased use of packaging materials. It also requires devastating new infrastructure developments: new roads,

ports, airports, pipelines, power grids—often constructed in formerly pristine places.

WTO agreements have already rolled back years of hard-won environmental gains made through national legislation and multilateral environmental agreements (MEAs), including measures agreed upon at the 1992 Rio Summit. To date, in every dispute case challenging a domestic environmental regulation, the WTO has ruled against the environment. Its very first ruling, in fact, seriously weakened a part of the U.S. Clean Air Act. In 1997, the U.S. Environmental Protection Agency changed some of its clean air rules to allow dirtier gasoline as a result of this ruling. In addition, the WTO has ruled against provisions of the U.S. Endangered Species Act and the U.S. has changed its regulations to comply with the WTO.

In the interests of advancing trade liberalization, commercial interests advising governments say trade rules must be consistent from country to country. However, instead of setting minimum standards for environmental protection, WTO agreements and dispute rulings effectively place a ceiling on environmental standards. This ensures that environmental regulations sink to the lowest common denominator, resulting in a downward harmonization of global standards. Proponents of globalization point to the rising number of MEAs as evidence that environmental concerns are being addressed. However, most MEAs are largely voluntary and do not have effective enforcement mechanisms.

Myth 6: Opposition to Economic Globalization Is Protectionist

Advocates of economic globalization have succeeded in making the term “protectionism” a dirty word. They use it to offhandedly dismiss everyone from environmentalists to consumers to small businesspeople to organized labour. Peasant farmers are lampooned as protectionists for resisting trade liberalization and for trying to preserve a so-called “inefficient” way of life that has served them and their communities well for centuries. If protectionism refers to protecting local jobs, public health, cultural diversity, and natural resources, then protectionism is a good thing. The structure of

economic globalization is itself corporate protectionism, because it is set up to protect corporations from the regulations of democratic societies.

Myth 7: Developing Countries Are Depending on Economic Globalization to Achieve First World Standard of Living

Developing countries are, in fact, becoming poorer, not richer. They are already paying the highest price for globalization. This is because the rules of the global bureaucracies invariably favour Northern corporate interests. While it is widely accepted that the biosphere is incapable of sustaining six billion people at the consumption levels of the North, one cannot argue that poor countries should stay poor while rich countries continue to consume more than their share. The over consumption of the north has been fuelled by centuries of exploitation of the South's natural resources. So we must give a much higher priority to cutting Northern over consumption, sharing resources and wealth and recognizing the South's legitimate need for sustainable development.

Myth 8: There Is No Realistic Alternative to Economic Globalization

There are many alternatives. But for the reasons outlined above, our current course is the one that is not realistic. By punishing countries and communities that fail to follow its rules, economic globalization actually precludes the development of other alternatives and growth models. The expansion of the global economy inevitably marginalizes and renders obsolete the livelihoods of a large segment of the world's population. At the same time, it devastates the natural world, homogenizes cultures, and destroys communities.

The better path is to do exactly the opposite of what economic globalization advocates suggest. The more they say to remove restrictions on currency flows, the clearer it is there should be strict restrictions on currency. The more they say free trade, the more we

must fight for the powers of local communities and regions to act in the interests of their own resources, people and land.

We should move away from economic globalization—and toward a revitalization of local political and economic control, self-reliance and ecological preservation.

For critical social theory, the claim goes, globalization therefore involves both capitalist markets and sets of social relations and flows of commodities, capital, technology, ideas, forms of culture, and people across national boundaries via a global networked society (Castells 1996, 1997, and 1998 and Held, et al 1999). The transmutations of technology and capital work together to create a new globalized and interconnected world. A technological revolution involving the creation of a computerized network of communication, transportation, and exchange is the presupposition of a globalized economy, along with the extension of a world capitalist market system that is absorbing ever more areas of the world and spheres of production, exchange, and consumption into its orbit. The technological revolution presupposes global computerized networks and the free movement of goods, information, and peoples across national boundaries.

Hence, the Internet and global computer networks make possible globalization by producing a technological infrastructure for the global economy. Computerized networks, satellite-communication systems, and the software and hardware that link together and facilitate the global economy depend on breakthroughs in microphysics. Technoscience has generated transistors, increasingly powerful and sophisticated computer chips, integrated circuits, high-tech communication systems, and a technological revolution that provides an infrastructure for the global economy and society (see Gilder, 1989 and 2000; Kaku, 1997; and Best and Kellner, 2001).

As a result, these recent dramatic increases in the transnational flows of capital, people, goods, information, and culture have transformed the world. The consequences of these far-reaching economic, political, demographic, and cultural changes have elicited increasing political and civic concern over globalization, as evidenced in 1999 in the mass protests against the World Trade

Organization in Seattle and in the spring of 2000 against the World Bank and International Monetary Fund in Washington, D.C. Globalization theory, which seeks to construct theoretical models to address these realities, emerged both from the social changes that it seeks to explain and internal developments in social theory, most notably as a reaction to earlier perspectives such as modernization theory and its western bias (although some globalization theorists [e.g., Galtung, 1997; Giddens 1990; Hall, 1997] retain this bias). It is not surprising; therefore, that globalization theory has emerged as one of the most widely discussed and hotly debated perspectives in contemporary social theory.

In defining the relation of social science to neoliberal globalization as a central, new problem in the study of science, we need to specify what is meant by the central concepts. We understand “globalization” as a descriptive characterization of an historical change in the scale of society. World systems theorists have documented the tendency for world systems to increase in scale and complexity over time (e.g., Chase-Dunn and Hall 1997), but the term “globalization” is used here to refer to general changes that have occurred since World War II. As Hirst and Thompson (1999) have argued, prior to World War I, the world was highly globalized on some measures, but the two world wars and high trade tariffs from the 1930s through 1950s reduced the level of economic globalization. However, after World War II, the world again became more globalized, and the changes can then be broken down by societal field. For example, in the political field the term refers to the increasing role of international governmental and nongovernmental organizations in organizing access to rights, identities and material benefits; in the economic field to the increasing role of multinational corporations, and the interlocking of global financial institutions; and in the social field to changes in the volume and types of immigration and cultural flows

As we use the term, “neoliberal globalization” is not a static or homogenous phenomenon. As a broad concept it can only be used effectively if it is understood as having undergone historical change and different levels of embeddedness across the world. In this context, Harvey (2005) emphasizes some of the differences in the

institutionalization of neoliberalism around the world, and anthropologists such as Ong (2006) and Ferguson (2006) have explored differences in its forms and scope using ethnographic and other anthropological methods. Across these differences in analyses of neoliberal approaches to globalization, one common characteristic of neoliberalism at a global level is the new power of owners of large, multinational corporations that benefit from economic policies associated with innovation, trade liberalization, reduced government spending on entitlements and decreased state restrictions on labour, health and environmental hazards of production (Campbell and Peterson, 2001, Harvey, 2005, Sklair, 2001).

Just as there are various dimensions to globalization as an historical transformation, so there are various ideologies and practices that shape approaches to how it should or should not occur. From the 1930s to the 1960s, dominant ideologies included social liberalism (or social democracy) in the wealthy capitalist states, socialism in the communist countries and some of the developing countries, and developmentalism in other developing countries. Although highly diverse, the orientations had a family resemblance in that they emphasized a relatively interventionist role of the state in the economy (via public ownership, state planning, and/or strong regulation of exchange markets); protection of domestic markets via import substitution policies, industry subsidies, tariffs, and currency manipulation; and an approach to poverty and social safety nets as the responsibility of national governments through redistributive programs such as welfare, health insurance, and social security (McMichael, 2000).

The term “neoliberalism” is used here to describe ideologies and practices that have also varied widely over time and across countries but have a family resemblance on three issues: a tendency to prefer markets over governments as instruments of policy (via privatization or, where regulatory policies are deemed necessary, via regulatory interventions that use marketplace mechanisms such as cap-and-trade systems), to favour trade liberalization over protectionism (with reductions in tariffs, subsidies, floating currencies, and regional and global trade agreements), and to

approach poverty from the vantage of self-responsibility, decentralized public-private partnerships, enterprise development, and other orientations to economic development that produce overall increases in the standard of living rather than redistributive change.

As Foucault (2008) argued, neoliberalism emerged largely in response to the perceived totalitarian implications of state planning associated with fascism and communism; it was “neo” in the sense of encouraging a return to the state-economy relationship that had characterized some Western societies during the nineteenth century. The early German neoliberals (“ordoliberals”) were not antistate; rather, they argued that the intervention of the state in the economy was necessary in order to develop and protect markets. The American variant of neoliberalism placed a stronger emphasis on new market creation and entrepreneurialism, and it eschewed any contamination of homo economicus by concerns with poverty and social responsibility (Friedman, 1970). As Harvey (2005) has argued, neoliberalism became politically influential as a response to the economic crises of the 1970s and 1980s, and the rapid spread of economic policies associated with neoliberalism can be explained by both their perceived effectiveness in solving economic crises and their benefits to the world’s economic elites.

Categories such as “social liberalism” and “neoliberalism” are ideal types, and on many policy issues there are ongoing debates that show the continuing vitality of each as well as various mixes of the two. For example, with respect to globalization, a neoliberal approach to globalization (what we term here “neoliberal globalization”) was tested in Chile during the 1970s, then introduced more broadly in the Reagan-Thatcher revolution of the 1980s and in the structural adjustment policies forced on developing countries as part of debt negotiation (Harvey 2005). After this “roll back” phase of neoliberalism, the policies were softened to some degree by the “third way” reforms exemplified by the Clinton administration and Blair government, each of which emphasized state intervention in the economy to encourage industrial innovation and competitiveness (Peck and Tickell 2002). Still, Clinton, Blair, and others tended to accept some of the

fundamental tenets of neoliberal globalization, including trade liberalization and market-based solutions to policy problems.

Two factors are behind the differing forms and degrees of the influence of neoliberalism on public policies. First, neoliberalism is instituted in particular institutional, geographic, and cultural settings. As a result, it takes varied forms, because policies and ideas tend toward obduracy, not change. As we argue later, neoliberal ideas, such as limiting or expanding the “risks” associated with new technologies in the interests of promoting profit, are legally and culturally interpreted in extant policy domains and legal systems. Second, neoliberal public policies have been contested. Social movements, civil society organizations, socially responsible businesses, and some governments have articulated alternative visions of globalization, some of which call for a return to mid-twentieth century social liberalism and democratic socialism and point to the democracy deficit of global governance (Keck and Sikkink, 1998; Della Porta and Tarrow, 2005; Wood, 2005; Routledge, Nativel and Cumbers, 2006; Smith and Bandy 2005; Gautney et al. 2009). Alternative approaches to globalization can be found not only among grassroots antiglobalization movements but also among some of the prominent economists who were former insiders. For example, Stiglitz (2007) has argued in favour of a form of globalization that would retain trade liberalization but would attend to the redistributive issues that have tended to be avoided under neoliberal policies that promise to solve poverty indirectly via economic expansion and increased productivity. Other social scientists have also questioned some of the assumptions behind descriptive characterizations of neoliberal globalization.

For example, assumptions that place is no longer important in an era of globalization have been challenged by studies that show the reconstitution of place-based synergies leading to the creation of global cities (Sassen, 2000), triple-helices of government-industry-academic partnerships in regional development programs (Etzkowitz et al., 1998), and the renewed emphasis on localism (Hendrikson and Heffernan, 2002; Winter 2004; DuPuis and Goodman 2005; Hess 2009a). Social scientists have also questioned the assumption that trade liberalization and deregulation produce an

economic tide that lifts all boats; instead, new forms of inequality have been identified, such as the growth of within-nation inequality, even as newly industrializing countries have become wealthier (Schmitt, 2000). Assessments of the impact of structural adjustment policies in developing countries have also shown that their effects have often been deleterious for the poor (Davis, 2006, Portes, 1994, Portes and Roberts, 2005) and to women (Duggan, 2004; Lind, 2010).

We extend the insight that the effects of neoliberal globalization have been both unevenly distributed and varied into the study of science, technology, and society. As we suggested earlier, under neoliberalism the economy is increasingly characterized as a free market that contains its own logics and rules, such that it operates outside of human direction. The naturalization of the market makes it analogous to older understandings of nature that characterized it as operating according to its own laws and rules that stood outside of human observation or intervention but which could be understood by experts. The new language of the economy-as-free-market black boxes the materiality, rules, and labour that are the foundation of economic life, subsuming them under an obfuscating numericism. Yet neoliberal policies and programs have never appeared in a standard fashion across the globe, because in practice “free markets” encounter cultures, histories, and geographies that make it difficult to implement and give rise to resistances. As a result, scientized neoliberal globalization appears to operate according to natural law, but takes hold unevenly across the globe and in different institutional settings.

We argue that an understanding of the complex changes associated with neoliberal globalization and science requires attention to three related processes: the growth of the knowledge economy and new patterns of university-industry relations, new regimes of science-based technology regulation in a global economy, and the transformation of the relationship between science and social movements (or civil society more broadly). In describing these three phenomena, we both develop a new conceptual vocabulary for the study of science and ground the concepts in a synthesis of empirical research conducted by each of

us as well as by other sociologists and social scientists with similar interests.

Globalization Theory

‘Globalization’ is commonly used as a shorthand way of describing the spread and connectedness of production, communication and technologies across the world. That spread has involved the interlacing of economic and cultural activity. Rather confusingly, ‘globalization’ is also used by some to refer to the efforts of the International Monetary Fund (IMF), the World Bank and others to create a global free market for goods and services. This political project, while being significant—and potentially damaging for a lot of poorer nations—is really a means to exploit the larger process. Globalization in the sense of connectivity in economic and cultural life across the world has been growing for centuries. However, many believe the current situation is of a fundamentally different order to what has gone before. The speed of communication and exchange, the complexity and size of the networks involved, and the sheer volume of trade, interaction and risk give what we now label as ‘globalization’ a peculiar force.

With increased economic interconnection has come deep-seated political changes – poorer, ‘peripheral’, countries have become even more dependent on activities in ‘central’ economies such as the USA where capital and technical expertise tend to be located. There has also been a shift in power away from the nation state and toward, some argue, multinational corporations. We have also witnessed the rise and globalization of the ‘brand’. It isn’t just that large corporations operate across many different countries – they have also developed and marketed products that could be just as well sold in Peking as in Washington. Brands like Coca Cola, Nike, Sony, and a host of others have become part of the fabric of vast numbers of people’s lives.

Globalization involves the diffusion of ideas, practices and technologies. It is something more than internationalization and universalization. It isn’t simply modernization or westernization. It is certainly isn’t just the liberalization of markets. Anthony Giddens

(1990, p.64) has described globalization as ‘the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa’. This involves a change in the way we understand geography and experience localness. As well as offering opportunity it brings with considerable risks linked, for example, to technological change. More recently, Michael Mann has commented:

“... what is generally called globalization involved the extension of distinct relations of ideological, economic, military, and political power across the world. Concretely, in the period after 1945 this means the diffusion of ideologies like liberalism and socialism, the spread of the capitalist mode of production, the extension of military striking ranges, and the extension of nation-states across the world, at first with two empires and then with just one surviving.” (Mann, 2013, p.11)

Globalization, thus, has powerful economic, political, cultural and social dimensions. Here we want to focus on four themes that appear with some regularity in the literature:

- de-localization and supraterritoriality;
- the speed and power of technological innovation and the associated growth of risk;
- the rise of multinational corporations; and
- the extent to which the moves towards the creation of (global) free markets leads to instability and division.

Globalization: delocalization and supraterritoriality

The processes of globalization are highly turbulent and have generated new conflicts throughout the world. Benjamin Barber (1998) describes the strife between McWorld and Jihad, contrasting the homogenizing, commercialized, Americanized tendencies of the global economy and culture with traditional cultures which are often resistant to globalization. Thomas Friedman (1999) makes a more benign distinction between what he calls the “Lexus” and the “Olive Tree.” The former is a symbol of modernization, of affluence and luxury, and of Westernized consumption, contrasted with the Olive Tree that is a symbol of roots, tradition, place, and stable community. Manuel Castells (1996) has argued persuasively that in the last twenty years or so of the twentieth century, a new economy emerged around the world. He characterizes it as a new brand of capitalism that has three fundamental features:

“Productivity and competitiveness are, by and large, a function of knowledge generation and information processing; firms and territories are organized in networks of production, management and distribution; the core economic activities are global – that is, they have the capacity to work as a unit in real time, or chosen time, on a planetary scale.” (Castells, 2001, p.52). This last idea runs through a lot of the discussion of globalization.

Globalization and de-localization

Many of the activities that previously involved face-to-face interaction, or that were local, are now conducted across great distances. There has been a significant de-localization in social and economic exchanges. Activities and relationships have been uprooted from local origins and cultures (Gray, 1999, p.57). One important element in this has been the separation of work from the home (and the classic move to the suburbs – see Putnam’s discussion of the impact on this on local social relations).

But de-localization goes well beyond this. Increasingly people have to deal with distant systems in order that they may live their lives. Banking and retailing, for example, have adopted new technologies that involve people in less face-to-face interaction. Your contact at the bank is in a call centre many miles away; when

you buy goods on the internet the only person you might speak to is the delivery driver. In this last example we move beyond simple notions of distance and territory into a new realm (and this is what Scholte (1997; 2000) is especially concerned with when he talks of globalization). When we buy books from an internet supplier like Amazon our communications pass through a large number of computers and routers and may well travel thousands of miles; the computers taking our orders can be on a different continent; and the books can be located anywhere in the world. The ‘spaces’ we inhabit when using the internet to buy things or to communicate (via things like chatrooms and bulletin boards) can allow us to develop a rather different sense of place and of the community to which we belong.

Not everything is global, of course. Most employment, for example, is local or regional – but ‘strategically crucial activities and economic factors are networked around a globalized system of inputs and outputs’ (Castells, 2001, p.52). What happens in local neighbourhoods is increasingly influenced by the activities of people and systems operating many miles away. For example, movements in the world commodity and money markets can have a very significant impact upon people’s lives across the globe. People and systems are increasingly interdependent.

[T]he starting point for understanding the world today is not the size of its GDP or the destructive power of its weapons systems, but the fact that it is so much more joined together than before. It may look like it is made up of separate and sovereign individuals, firms, nations or cities, but the deeper reality is one of multiple connections. (Mulgan, 1998: 3). Businesses are classic example of this. As Castells (2001) noted they are organized around networks of production, management and distribution. Those that are successful have to be able to respond quickly to change—both in the market and in production. Sophisticated information systems are essential in such globalization.

‘Convergence’ in the New Knowledge Economy

Globalization is both a process and a theory. Roland Robertson, with whom globalization theory is most closely associated, views

globalization as an accelerated compression of the contemporary world and the intensification of consciousness of the world as a singular entity. Compression makes the world a single place by virtue of the power of a set of globally diffused ideas that render the uniqueness of societal and ethnic identities and traditions irrelevant except within local contexts and in scholarly discourse.

The notion of the world community being transformed into a *global village*, as introduced in 1960 by Marshall McLuhan in an influential book about the newly shared experience of mass media, was likely the first expression of the contemporary concept of globalization. Despite its entry into the common lexicon in the 1960s, globalization was not recognized as a significant concept until the 1980s, when the complexity and multidimensionality of the process began to be examined. Prior to the 1980s, accounts of globalization focused on a professed tendency of societies to converge in becoming modern, described initially by Clark Kerr and colleagues as the emergence of *industrial man*.

Although the theory of globalization is relatively new, the process is not. History is witness to many globalizing tendencies involving grand alliances of nations and dynasties and the unification of previously sequestered territories under such empires as Rome, Austria-Hungary, and Britain, but also such events as the widespread acceptance of germ theory and heliocentrism, the rise of transnational agencies concerned with regulation and communication, and an increasingly unified conceptualization of human rights.

What makes globalization distinct in contemporary life is the broad reach and multidimensionality of interdependence, reflected initially in the monitored set of relations among nation-states that arose in the wake of World War I. It is a process that before the 1980s was akin to *modernization*, until modernization as a concept of linear progression from traditional to developing to developed—or from *gemeinschaft* to *gesellschaft* as expressed by Ferdinand Toennies—forms of society became viewed as too simplistic and unidimensional to explain contemporary changes.

As Noble (1977), Forman (1987), Kevles (1997), and other historians of science have demonstrated, there has been a

longstanding relationship between the research needs of industry and the government and the general direction of research fields and research priorities in the contemporary era of globalization. Thus, the argument that neoliberal globalization has led to an increasing impact of industry on scientific research needs to be inspected against the historical background of an ongoing relationship that was evident well before even the first articulations of neoliberalism. Our discussion in this section focuses on the United States, but other studies indicate that related changes have occurred elsewhere (e.g., Gibbons, et al 1994, Marginson and Considine, 2000, Strathern, 2000), and we hope that a comparative perspective will characterize future work in the political sociology of science.

With respect to the general argument that industry has had a growing influence on scientific research since 1980, one source of data is the pattern of changes in funding. Whereas from 1950 to 1980 the federal government was roughly equal to industry as a source of R&D expenditures, since 1980 government expenditures have been level while industry expenditures have doubled (Borouh, 2008). Likewise, industry has also increased its share not only as a funding source, but as a performer of R&D, so that by 2007 industry performed 72% of R&D, in comparison with 11% for government R&D and 13% for universities and colleges (Borouh, 2008). The changes in the extent of industry funding of scientific research, at least in the United States, provide a helpful picture of a background trend, but they do not in themselves constitute evidence for a relationship between neoliberal globalization and scientific research. One must ask instead what the increasing relationship between industry and scientific research means and how scientific research has changed as a result.

A broad transformation of the role of the university in American society occurred as a result of increasing industrial and government concern with global competition, apprehension that predated trade liberalization but was heightened by its effects. After World War II, smokestack industry—firms responsible for the mass production of consumer durables—appeared as the “economic base” of the prosperity of the economies of the U.S. and other wealthy industrialized countries. As consumer goods production

shifted increasingly to formerly agrarian societies with developing industrial economies, political and industrial leaders in high-income countries came to view science-intensive industries, such as information technology, biotechnology, and nanotechnology, as necessary for maintaining economic leadership (Stehr, 2002).

Thus, in addition to shifts in funding that became weighted toward industry, there was also increased attention to the value of universities as sources of industrial innovation, often connected with regional industrial clusters (Croissant and Smith-Doerr 2007; Kleinman, 2003; Kleinman and Vallas, 2001; Etzkowitz et al., 1998; Owen-Smith, 2005; Slaughter and Rhoades 2004). Although concerns with the industrial competitiveness of the United States during the post-World War II period predated the emergence of neoliberal policies, those concerns were amplified by the growing pressure on American industries to innovate that emerged partly due to one central policy associated with neoliberalism: trade liberalization. As Fordist manufacturing in the industrial countries closed down, governments became preoccupied with rebuilding industry in sectors where there was a global advantage, specifically the knowledge economy.

New intellectual property regimes facilitated the repositioning of universities as engines of the new knowledge economy. In the United States, the passage of the Bayh-Dole Act of 1980 (which facilitated university ownership of intellectual property) and the Supreme Court decision of *Diamond v. Chakrabarty* (also in 1980, which enabled the patenting of life) correspond temporally with the Reagan revolution and the emergence of the roll-back phase of neoliberalism. However, as Berman (2008) has shown in an analysis of the factors behind the passage of the Bayh-Dole Act, federal officials were driven more by concerns with national competitiveness and the need for a new solution to the problem of technology transfer than they were by neoliberal ideology. Certainly, one could make similar arguments about the relatively unimportant role of neoliberal thought in the *Chakrabarty* decision. In other words, one needs to exercise caution in attempting to show the direct and explicit linkages between changes in the scientific field and neoliberal globalization. Following Bourdieu (2001, 2005), we

approach the problem by looking for homologies or parallels in the transformation of the scientific and political fields and for causal links between actors and the structures of the fields in which they operate.

Although the two policy changes were not directly motivated by neoliberal ideology, they created political opportunities in the scientific field for the advancement of practices associated with neoliberalism. As the new intellectual property regimes were established, universities began to systematize relationships with industry via technology transfer offices. The emphasis on technology transfer and extramural funding had implications for the power relations among departments within universities. Not only were departments and schools with strong ties to the welfare state (such as criminology, welfare, public health, and some of the social sciences) eclipsed by departments and schools that were more closely aligned with industrial innovation, but departments that had built power bases on older types of industry linkages—such as chemistry and physics departments—were also challenged by emergent research fields such as information technology and biotechnology.

Furthermore, because the effectiveness of technology transfer offices was uneven, the prestige relations among universities also shifted (Colyvas and Powell, 2007, Owen-Smith, 2005, Powell et al. 2007). For example, the Association for University Technology Managers (2000) surveyed 142 universities and found that 70 reported annual licensing income of less than one million dollars. Fewer than 15% of the universities made over \$10 million; in other words, many universities lost money on their investment. A wide swath of universities invested heavily in commercializing the research of their faculty, but the benefits have accrued mainly to the largest research universities. Universities that were able to establish research strengths in the new research fields were able to benefit from the new emphasis on technology transfer and industrial innovation.

Although the focus on technology transfer turned out not to be as broadly beneficial as first envisioned, it enabled a more general spread of the “culture of commerce” to academia. Here, one finds

evidence of neoliberalism in the proliferation of industry-oriented language and practices in higher education. Again, one does not need to make the claim that individual administrators intentionally saw themselves as neoliberal ideologues. Just as the carriers of a virus may not even know the name of the virus that they are spreading, so administrators who promulgated practices and ideologies associated with neoliberalism were not necessarily aware of the concept.

As new institutionalists have shown, practices often spread through changes in normative frameworks about how to handle routine and existing problems rather than through explicit rational calculation (DiMaggio and Powell, 1983). In the new context of reduced government funding, enhanced concern with industrial competitiveness, and opportunities for revenue streams from technology transfer, administrators emphasized entrepreneurship and the spread of private-sector practices to university management. Slaughter and colleagues have explored the many related changes under the rubric of “academic capitalism” (Slaughter and Leslie, 1997, Slaughter and Rhoades, 2004).

One of the primary features of academic capitalism is attention to the performance of academic units, often using numerical standards. Enabled by information technologies and the external auditing agencies, university administrators were able track with ease metrics such as faculty/student ratios, extramural funding, graduate students supported, publications generated, patents, and licenses. An “audit culture” (Strathern, 2000) came to permeate the university, in which faculty became objects of managerial discipline and the financial autonomy of departments was undermined. Universities also moved away from cultivating administrative leadership within the academy itself and instead increasingly sought leaders with industrial or government management experience. In some institutions, undergraduate students were reframed as consumers, and faculty performance was measured within a frame of “customer satisfaction” (Kleinman, 2010).

More generally, universities increasingly drew on “codes of commerce” originally developed in the corporate world. One of the most direct examples of the impact of such codes of commerce in

connection with neoliberalism is the cultivation of entrepreneurialism, broadly construed, to encompass grantsmanship, program development, and technology transfer (Slaughter and Rhoades 2004, Donogue, 2008). With faculty, students, and even administrators understood as entrepreneurs, the reward systems changed fundamental attitudes toward risk-taking, program development, and research portfolio choices. On the one hand, scholarly and basic research into fundamental questions as well as teaching on such topics, a prerequisite of the autonomy of the scientific field via control over research and teaching agendas, was weakened. Unfunded research or poorly funded research, even if it generated significant prestige among other knowledge producers, was devalued.

On the other hand, opportunities opened up for scientists to develop both new academic programs and new partnerships with industry that in turn could lead to a more diversified set of funding prospects and the potential for economic benefits via licensing and start-up businesses. The changes produced tremendous pressures on young scientists as well as shifts in their evaluation of career opportunities. The scientist-entrepreneur may have emerged as an exemplar of the neoliberal academy, but not for all scientists in all fields. Rather, scientific fields tended to become structured by a tension between a producer pole that emphasized independence and traditional scholarship, and a practical pole that emphasized new collaborations and industrial applications. The dominant pole varied across disciplines (Albert, 2003).

As some areas of university R&D become commercialized and subject to an entrepreneurial ethic, so the codes and practices of academia were simultaneously finding their way into industry, especially in the high-tech sector. We term this double transformation *asymmetric convergence* (Kleinman and Vallas, 2001, Vallas and Kleinman, 2008; see also Owen-Smith 2005, Rabinow, 1996). For example, some firms, generally in the high-technology sector, were situated on what they term “campuses.”

The benefits of an academic research environment went beyond recreational facilities, park-like settings, child care, libraries, and visiting lecturers; in some cases, industrial researchers had control

over their on-campus hours and leeway in defining research programs, as long as they could be defended as potential new sources of revenue for the firm. In some ways, the new industrial R&D settings even offered advantages over university-based research. Whereas universities were often constrained by departmental structures, new industrial R&D settings promoted up-to-the-minute interdisciplinary research, cross-laboratory relationships, and multi-institutional collaboration, and they sought to promote open communication, especially within the firm. In this sense, the new structures of industrial R&D may have afforded greater autonomy for scientists, even though there were constraints on scientific communication outside the firm and on researchers' ability to pursue fundamental research problems that cannot be linked clearly to product innovation and new profits (Vallas and Kleinman, 2008).

Thus, high-technology industry increasingly offered benefits once characteristic of university settings, even as universities became subject to the managerial practices associated with the corporate world. Some graduate students in the sciences became disheartened by the high levels of entrepreneurialism required to keep a university laboratory afloat, and they decided instead to pursue careers in high-technology industry, where ironically they believed they would have more autonomy and flexibility, experience less pressure than in academia, and be able to better serve the public good (Vallas and Kleinman, 2008).

Based on an analysis of 2000 life scientists in the United States, Smith-Doerr (2004) found that female PhDs in biotechnology firms were nearly eight times more likely to be in leadership positions than PhDs in more hierarchical organizations, including universities. Consistent with the idea of asymmetrical convergence, where we see attributes widely thought to characterize academic life shaping high technology industry, Smith-Doerr contends that the networked character of high-tech firms promoted transparency and teamwork, which stresses collective over individualized rewards and benefits women scientists. Similarly, Whittington and Smith-Doerr (2005) found that women scientists patented their work less

frequently than men do, meaning that the reward system in the new entrepreneurial system benefited men more than women.

In sum, neoliberal globalization and the new knowledge economy intersect in two ways. First, neoliberal globalization is a background condition that facilitated general economic changes that were already occurring as industrial production became more internationalized. The increase in global competition, which trade liberalization under neoliberalism facilitated, resulted in a shift of government and industrial research funding toward technological innovation, and new intellectual property regimes facilitated new relationships between universities and industry. Likewise industrial R&D spending shifted away from “blue sky” research toward potentially marketable technologies. Second, codes and practices associated with neoliberalism, especially the emphasis on entrepreneurialism, have come to permeate the research universities. In this context, industrial R&D centres, although more attuned to technology transfer issues than in the past, have adopted some of the practices associated with university-based research.

While the tendency is toward convergence between universities and industrial models of work, countervailing patterns also emerge. The emphasis on entrepreneurialism and technology transfer has generated openings for research projects that are aligned with public interest concerns, such as environmental and health research, provided that this work also brings in extramural funding and prestige. The ethos of entrepreneurialism can be rechanneled in the form of social entrepreneurship, which diverts a portion of research portfolios toward pro-bono projects funded by governments, foundations, non-profit organizations, and even, in some cases, corporate benefactors.

Just as large firms are increasingly attending to social justice concerns (Haufler, 2006), some universities are attending to social justice issues. Such initiatives are of special interest to universities that are located in impoverished urban areas, where the effects of deindustrialization and the dismantling of welfare-state protections are visible in the deterioration of neighbourhoods bordering campuses, or in poor countries (Valdiya, 2010). Moreover, many sites within the university—departments associated with public

service roles rather than industrial innovation, faculty labour unions and governance structures, curricula and student programs that encourage voluntarism as a solution to collective problems, and connections with community development efforts and local political leaders—provide a countervailing force for the patterns of academic capitalism. We do not suggest a monolithic approach to understanding how global neoliberalism and the knowledge economy intersect; what we find, instead, is that the knowledge economy helps generate capital in university settings, and that knowledge-based firms have come to look more like universities.

Uneven Scientism and Neoliberal Regulation

What we need to understand is that neo-liberalism has become the major world religion with its dogmatic doctrine, its priesthood, its law-giving institutions and perhaps most important of all, its hell for heathen and sinners who dare to contest the revealed truth. Oskar Lafontaine, the ex-German Finance Minister who the *Financial Times* called an “unreconstructed Keynesian” has just been consigned to that hell because he dared to propose higher taxes on corporations and tax cuts for ordinary and less well-off families.

Historically, 1979 is the year Margaret Thatcher came to power and undertook the neo-liberal revolution in Britain. The Iron Lady was herself a disciple of Friedrich von Hayek, she was a social Darwinist and had no qualms about expressing her convictions. She was well known for justifying her program with the single word TINA, short for There Is No Alternative. The central value of Thatcher’s doctrine and of neo-liberalism itself is the notion of competition — competition between nations, regions, firms and of course between individuals. Competition is central because it separates the sheep from the goats, the men from the boys, the fit from the unfit. It is supposed to allocate all resources, whether physical, natural, human or financial with the greatest possible efficiency.

In sharp contrast, the great Chinese philosopher Lao Tzu ended his Tao-te Ching with these words: “Above all, do not compete”. The only actors in the neo-liberal world who seem to have taken his

advice are the largest actors of all, the Transnational Corporations. The principle of competition scarcely applies to them; they prefer to practice what we could call Alliance Capitalism. The three broad characteristics of the Japanese Alliance Capitalist economy are: a high degree of resilience in the face of dramatic economic change; impressive rates of long-term corporate investment that remain even in the 1980s substantially higher than in most Western economies; and a market structure with substantial barriers to entry to newcomers, especially in high value-added industrial sectors. The relationships between these characteristics and the alliance structure of Japanese industrial organization can be summarized very briefly in the following points:

1. Resilience in the face of rapid economic growth results to an important extent from the role of intercorporate alliances in stabilizing certain key business relationships, notably in the market for corporate control, while allowing for dynamic adaptation in other areas.

2. High rates of corporate investment have been promoted by Japan's distinctive capital relations, which facilitate monitoring by major corporate investors and which create secondary (strategic) benefits for these investors apart from direct (market) returns.

3. Structural barriers to entry for market newcomers in core industrial sectors are a product of preferential trading patterns as well as the overlap between companies' financial interests and their business interests.

Beginning in the 1980s, changes in government, industry, and the university have increasingly pressured academic and industrial scientists to become aligned with the goals of national competitiveness, regional economic development, and marketplace opportunities. However, the changes have paradoxically opened new opportunities for scientists and citizens to develop science in the interest of the public and more specific constituencies. In this chapter, we argue that a new framework for the study of social science is needed, one that seeks to provide a balanced understanding of both the new restrictions associated with the increasing influence of the private sector on the scientific field and

the new forms of citizen participation and public-interest science that are emerging.

The knowledge economy produces consumer products and systems for producing commodities. As such, it is an important means by which nations and corporations seek to gain market advantages, making science and technology increasingly important to firms and governments in their efforts to achieve and maintain a strong competitive position in the global economy. At the same time, as new materials and technologies are unleashed on markets, public concerns have mounted with respect to the health, safety, environmental, and social implications of those products. Those concerns tend to run counter to the goal of reducing state interference in markets, including heavy government regulations, and the push toward the unfettered operation of markets (Campbell and Pedersen 2001). One of the most important features of these challenges and contestations is that they increasingly take place in international regulatory settings.

The emphasis on competition in global markets and the increasing reliance on scientific research and technological innovation to maintain competitive advantage have meant that regulatory challenges are emerging with greater frequency. Understanding the field dynamics of the regulation of technologies with respect to neoliberal globalization requires a conceptual framework that goes well beyond the concept of “deregulation.” As the early German neoliberals argued, the role of the government is not to retreat from the economy completely but to make markets function efficiently (Foucault 2008). That goal may require some regulation not only to limit marketplace inefficiency, such as a tendency toward monopoly or inefficiencies in trading systems, but also to address public concerns that could otherwise lead to a collapse in confidence in markets. Thus, in the era of neoliberal globalization, the regulatory field becomes a complex arena in which battles take place less over “regulation versus deregulation” and more over types, degrees and the scope of regulation and its effects, particularly internationally.

This section identifies three intertwined changes that are occurring in the regulatory field. First, contrary to some

understandings of neoliberal globalization that maintain that voluntary industry self-regulation and deregulation by states have replaced state regulation, there is evidence that regulation is increasingly taking place in international governance bodies. Second, as international organizations have come to play an important role in the regulatory field, the influence of multinational corporations has increased. Third, technology regulation is often framed, particularly at the international level, in a discourse of scientism that utilizes the authority of the scientific field but also depoliticizes the regulation of new technologies.

To map out these processes of change, we focus our attention in this section on food and agricultural biotechnology, partly because biotechnology is one of the central industries of the new knowledge economy and partly because biotechnology regulation is in some ways more developed than other emerging fields of technology regulation, such as nanotechnology. As a result, the study of biotechnology regulation can serve as a model for future technology regulation in the neoliberal era. We explore the problem comparatively and draw out key themes that frame our argument, including the existence of countervailing and contradictory forces and the multifaceted ways in which neoliberalism and science are understood and applied.

International governance

In the past, nation-states often created international organizations as means of coordinating relatively autonomous national policy efforts. International governance organizations have become even more important in coordinating international trade as economic systems have become more globalized. Thus, we have a paradoxical situation in which some aspects of neoliberal globalization have led to deregulation, such as the reduction of national trade barriers, while at the same time the increased internationalization of markets has created ongoing pressures for stronger standards at the international level.

Under global neoliberalism, standards for the production, storage and distribution of internationally traded goods are increasingly organized by international organizations that translate

economic and social interests into scientific frameworks. Rather than synchronizing state-level regulation, some of the most prominent international trade and regulatory organizations have formulated entirely new standards, which rely heavily on scientific language and expert knowledge (Jasanoff 2004; Miller, 2004, 2007; Kingsbury, Krisch and Stewart 2005; Biermann, 2002; Halfon, 2010; Winickoff and Bushey, 2010). We treat this process as example of the general phenomenon of “scientization.”

The Codex Alimentarius Commission provides an instructive example. The international organization was formed in 1962 by the Food and Agriculture Organization and the World Health Organization of the United Nations. Responding to global concerns about food additives, the Codex standardized the content of internationally traded foods and the processes by which foods were created and stored. Until 1994, the rules in the Codex were noncoercive; states could voluntarily use them and by doing so could engage more easily in international trade with participating partners.

But in 1994, the World Trade Organization (WTO) built into its regulations incentives for participating nations to base their food regulations on those formulated in the Codex. While the use of Codex standards is still voluntary—participating nations can use the Codex standards or use a science-based risk assessment system—countries are advantaged in legal battles if they use the Codex standards (Post, 2005). Since 1994, the number of countries that are part of the Codex Consortium has risen from 37 to nearly 200, and its rules cover the foods eaten by 97% of the world’s population. This effectively makes the Codex the *de facto* basis for international food regulations (Post, 2005; Winickoff and Bushey, 2010; Lindne, 2008). The very character of internationally traded food is based on its alignment with international scientific standards for moisture, purity, and other measures, not cultural meanings or national standards. Since the Codex governance system favours representatives from national governments—but particularly those that can afford to pay full-time members who can serve on highly influential subcommittees—it leaves food definitions in the hands of scientists and policymakers.

Yet it also offers opportunities for input from NGOs, citizens in participating countries, and scientists who can contribute independent reports, providing for at least some grassroots influence. Still, given that the WTO rules require decisions about the safety of food to be based on scientific and economic criteria, claimants using other forms of argument are at a disadvantage (Winickoff and Bushey, 2010; Halfon, 2010; Livermore, 2006; Post, 2005). More generally, given that nation states, not citizens or NGOs, are members of these kinds of regulatory organizations, even those that allow petitions by citizen groups are likely to be attentive to interests of nation-states, not external petitioners.

Countervailing Effects: Corporate Influences

The second trend in the neoliberal regulatory field is countervailing. The increasing autonomy of the international regulatory organizations from the influence of individual nation states is counterbalanced by an increase in the types and volume of scientific input from industry into government regulations. Often these shifts in input are supported by the neoliberal frame that values enhanced public-private partnerships. In the extreme case rulemaking by national governments and international organizations is replaced by standards set by international industrial consortium groups (Haufler, 2001; Busch and Bain, 2004; Vogel, 2008).

In some cases, industrial actors play a critical role in setting standards for trade, but there is less novelty in that practice—which has been taking place for centuries—than in the newest form of industrial self-regulation: the mitigation of the social and environmental effects of production and trade. Haufler (2001) points out that early industry self-regulation that developed in medieval Europe was organized around lowering transaction costs in production and has mainly continued to take that form until recently. Newer forms of international industry self-regulation, such as certification councils (e.g., the Forest Stewardship Council) are organized as a result of pressures from civil society and activist groups. Rather than submit to government regulation, producers and distributors set new scientific standards (sometimes with input

from NGOs) for the social impact of their practices (Haufler, 2006).

Scientism as Politics

Across these new forms of governance, there is evidence of the growth and uneven spread of “scientism” as a basis for regulatory policy (Kinchy et al., 2008; see also Winikoff and Bushey (2010) on “risk” as a specific type of “scientism”). By “scientism” we mean a discourse or framework for discussion that excludes consideration of distributional and other social impact criteria in the determination by a regulatory agency that a product is or is not suitable for markets. In its neoliberal form, scientism tends to restrict democratic participation and weaken the options for governments to regulate new technologies in ways that protect citizens rather than corporations.

A revealing case is the regulation of recombinant bovine growth hormone (rbGH), the first agricultural product of the biotechnology industry. Neoliberal ideology was evident more generally in agricultural policy during the 1980s, when changes in farm legislation required farmers to depend increasingly on market prices for their incomes. Such market-oriented policies were extended to agricultural biotechnology as well, where the government policy favoured a hands-off approach to private-sector innovation. The multinational agrichemical company Monsanto first sought market approval for rbGH in the U.S. in 1986, a time of dairy surpluses and widespread fears of what the commercialization of the substance would do to the U.S. dairy industry. In US congressional hearings, social scientists pointed to studies that suggested that the commercialization of rbGH would lead to substantial consolidation of the industry, thereby hurting small producers and undermining the iconic family farm.

These prospects led to the mobilization of grassroots opposition to the substance as well. Many opponents of rbGH promoted a moratorium on commercialization of the drug on the basis of the likely adverse socio-economic impacts it would have, and despite a broader political environment that favoured deregulation, the arguments had some short-term impact, leading to

a temporary federal moratorium and two state moratoria. Nevertheless, the Food and Drug Administration ultimately rejected the arguments raised about socioeconomic impacts and insisted instead on using a narrow interpretation of health risks as the sole criterion for evaluating the acceptability of the product for use in milk. Thus, the agency yoked a narrowly scientific orientation toward regulation to the general political commitment to free markets, and in 1993 it approved the commercial use of rbGH in the US (Kleinman and Kinchy 2003).

The influence of scientism in agricultural policy is uneven; that is, it varies considerably across different countries due partly to differences in political cultures (Jasanoff 2007). Although evidence of the influence of neoliberalism is pervasive in the EU in comparison with the United States, the EU policymakers tend to be more tolerant of higher levels of government intervention in the economy. Again, the trajectory of rbGH regulation in the EU provides a valuable contrast. In the EU, years of debate and several temporary moratoria focused on the likely socio-economic impacts of rbGH. The European Commission argued that commercialization of rbGH would run counter to the longstanding Common Agricultural Policy, which in part aimed to protect small-scale farming in EU countries. The Commission justified several temporary moratoria during the 1990s on this rationale. However, in 1996 Monsanto and Elanco challenged the Commission's position in the European Court of Justice, and in 1998 the Court ruled that socioeconomic regulation was inconsistent with international (neoliberal) trade agreements. rbGH could only be prohibited for narrowly technical reasons of health and safety. With evidence of the debilitating effects that rbGH can have on dairy cows, the Commission had a justification that would meet neoliberal muster, and EU ministers voted in favour of a permanent ban on rbGH in December of 1999.

In both cases, debate of the social impacts of new technologies was closed down, and social regulation ultimately was marginalized in favour of narrow considerations of technical risk (as also occurs in other regulatory fields; see Wynne, 2005; Winickoff and Bushey, 2010). However, if neoliberal globalization were homogenous in its

effects, the EU's policy process on rbGH and other agricultural policies would mirror that of the U.S. Instead, forces in the EU pushed persistently for the social regulation of rbGH and, despite international pressures toward neoliberalism that prevented the implementation of explicitly social regulation of rbGH in the EU, opponents of the substance were able to align a discourse of scientism with opposite results from those achieved in the US. Similarly, during the 1990s, in the wake of the Mad Cow Disease scare, the European Parliament considered new ways to ensure that European food was uncontaminated enough to prevent health problems.

The Biosafety Protocol, adopted in 2000, suggests yet a different outcome in the regulation of agricultural biotechnology (Kleinman and Kinchy, 2007) and illustrates another dimension to the unevenness of scientism. In this case the US, although not a party to the negotiations, and its allies persistently pushed for a policy that would look much like the US agricultural biotechnology regulation. The so-called Miami Group, a US-led group of countries that produce agricultural biotech products, argued for (in our terms) a fusion of neoliberalism and scientism that would limit regulation of biotechnology.

However, an array of countries from the global South and a number of non-governmental organizations (NGOs) argued for a protocol that would place socio-economic regulation of agricultural biotechnology front and centre. Negotiations of the Protocol began in 1995 and ran across five years and seventeen meetings. While the structure of negotiations provided space for countries from the global South and their NGO allies to push for socioeconomic regulatory provisions, the requirement that the final agreement reflect a consensus put the balance of power in the hands of countries that are leaders in the agricultural biotechnology market. Without their acquiescence, a comprehensive agreement on socioeconomic regulation would have been effectively meaningless. Thus, pressure from the US and its allies led the socioeconomic provisions to become progressively weaker during the five years of discussion. The final provision requires that social regulation be consistent with international agreement. The provision likely means

that any social regulation must be consistent with free trade agreements, and because social regulation is an explicitly interventionist approach to markets, the provision may mean that social regulation is impossible. At the same time, this case suggests that neoliberalism and scientism can be delinked, because some advocates of social regulation argued for the scientific assessment of likely social impacts.

Austria's regulation of agriculture biotechnology offers a final valuable comparative case. Unlike those countries considered above, Austria has established a policy requiring that regulators ascertain likely socioeconomic impacts before commercialization of new biotechnologies can move forward. Captured by the words "social unsustainability," the socioeconomic regulatory provision of the Austrian Genetic Engineering Act of 1994 prohibits licensing of genetically engineered products if they will impose "an unbalanced burden on society" or entail unacceptable social, economic or moral costs (Seifert and Torgersen, 1997, p.302). Austrian industry favoured neoliberal regulations of the type developed in the U.S., but the legislation was adopted when a coalition government took power in 1990. Under pressure from social movement organizations, the coalition was compelled to resolve the matter before Austria entered the EU. The provision on social regulation is unambiguous, but it was apparently part of a compromise which entailed more economically liberal regulation in other areas.

As the examples summarized in this section suggest, the effects of neoliberal globalization are not monolithic and cannot be reduced to simplistic formulas such as "deregulation." But in general there is an increasing tendency toward scientism and the technocratic and elitist politics associated with international and corporate-led globalization and influence on regulatory bodies. Yet, this tendency coincides with emergent alternatives such as social regulation and even re-appropriations of scientism that create spaces for greater levels of civil society participation. One source of the openings is that despite the efforts of its architects to make it appear to be positivist and unambiguous, at a legal level, the language of regulatory science is murkier than it appears to be at first glance. Thus, the meanings of "risk assessment," "risk

prevention,” and “risk mitigation” are interpreted in courts and by nation-states in different ways (Halfon, 2010).

In parallel with efforts toward the privatization of regulation, shifts from government-based regulations to industry standards, and even some examples of deregulation, there is also some evidence of increased autonomy of international organizations that emerges in part due to trade liberalization, the globalization of the economy, and the repeal of national governmental regulations. The field of technology regulation that has developed at the international level has become increasingly coercive, while at the same time industry has become intimately involved in shaping the regulation of technology-intensive industries and in structuring international agreements to weaken efforts to promulgate state-based regulation. These dynamics are uneven. Neoliberalism in the regulatory field is both contested and constructed differently, with its effects most evident in the US and less so in the EU. While industry and its allies in states and regional and international governing bodies clearly have the upper hand, oppositional politics have shaped the international regulations, both challenging and using the language of science. We turn next to a fuller discussion of these processes.

We need to set the record straight here. Neoliberal globalization, in theory, is essentially about making trade between nations easier. It is about freer movement of goods, resources and enterprises in a bid to always find cheaper resources, to maximize profits and efficiency. To help accomplish this, neoliberalism requires the removal of various controls deemed as barriers to free trade, such as:

- Tariffs
- Regulations
- Certain standards, laws, legislation and regulatory measures
- Restrictions on capital flows and investment

The goal is to be able to allow the free market to naturally balance itself via the pressures of market demands; a key to successful market-based economies. As summarized from *What is “Neo-Liberalism”?* A brief definition for activists by Elizabeth Martinez

and Arnoldo Garcia from *Corporate Watch*, the main points of neoliberalism includes:

- The rule of the market — freedom for capital, goods and services, where the market is self-regulating allowing the “trickle down” notion of wealth distribution. It also includes the de-unionizing of labour forces and removals of any impediments to capital mobility, such as regulations. The freedom is from the state, or government.

- Reducing public expenditure for social services, such as health and education, by the government

- Deregulation, to allow market forces to act as a self-regulating mechanism

- Privatization of public enterprise (things from water to even the internet)

- Changing perceptions of public and community good to individualism and individual responsibility.

Overlapping the above is also what Richard Robbins, in his book, *Global Problems and the Culture of Capitalism* (Allyn and Bacon, 1999), summarizes (p.100) about some of the guiding principles behind this ideology of neoliberalism:

- Sustained economic growth is the way to human progress
- Free markets without government “interference” would be the most efficient and socially optimal allocation of resources
- Economic globalization would be beneficial to everyone
- Privatization removes inefficiencies of public sector
- Governments should mainly function to provide the infrastructure to advance the rule of law with respect to property rights and contracts.

At the international level then we see that this additionally translates to:

- Freedom of trade in goods and services
- Freer circulation of capital
- Freer ability to invest

The underlying assumption then is that the free markets are a good thing. They may well be, but unfortunately, reality seems different from theory. For many economists who believe in it strongly the ideology almost takes on the form of a theology.

However, less discussed is the issue of power and how that can seriously affect, influence and manipulate trade for certain interests. One would then need to ask if free trade is really possible.

From a power perspective, “free” trade in reality is seen by many around the world as a continuation of those old policies of plunder, whether it is intended to be or not. However, we do not usually hear such discussions in the mainstream media, even though thousands have protested around the world for decades.

Today then, neoliberal policies are seeing positives and negatives. Under free enterprise, there have been many innovative products. Growth and development for some have been immense. Unfortunately, for most people in the world there has been an increase in poverty and the innovation and growth has not been designed to meet immediate needs for many of the world’s people. Global inequalities on various indicators are sharp. For example,

- Some 3 billion people — or half of humanity — live on under 2 dollars a day
- 86 percent of the world’s resources are consumed by the world’s wealthiest 20 percent
- (See this site’s page on poverty facts for many more examples.)

Globalization Theory and Experience

Globalization’ is commonly used as a shorthand way of describing the spread and connectedness of production, communication and technologies across the world. That spread has involved the interlacing of economic and cultural activity. Rather confusingly, ‘globalization’ is also used by some to refer to the efforts of the International Monetary Fund (IMF), the World Bank and others to create a global free market for goods and services. This political project, while being significant – and potentially damaging for a lot of poorer nations – is really a means to exploit the larger process. Globalization in the sense of connectivity in economic and cultural life across the world, has been growing for centuries. However, many believe the current situation is of a fundamentally different order to what has gone before. The speed

of communication and exchange, the complexity and size of the networks involved, and the sheer volume of trade, interaction and risk give what we now label as ‘globalization’ a peculiar force.

With increased economic interconnection has come deep-seated political changes – poorer, ‘peripheral’, countries have become even more dependent on activities in ‘central’ economies such as the USA where capital and technical expertise tend to be located. There has also been a shift in power away from the nation state and toward, some argue, multinational corporations. We have also witnessed the rise and globalization of the ‘brand’. It isn’t just that large corporations operate across many different countries – they have also developed and marketed products that could be just as well sold in Peking as in Washington. Brands like Coca Cola, Nike, Sony, and a host of others have become part of the fabric of vast numbers of people’s lives.

Globalization involves the diffusion of ideas, practices and technologies. It is something more than internationalization and universalization. It isn’t simply modernization or westernization. It is certainly isn’t just the liberalization of markets. Anthony Giddens (1990, p. 64) has described globalization as ‘the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa’. This involves a change in the way we understand geography and experience localness. As well as offering opportunity it brings with considerable risks linked, for example, to technological change. More recently, Michael Mann has commented:

... what is generally called globalization involved the extension of distinct relations of ideological, economic, military, and political power across the world. Concretely, in the period after 1945 this means the diffusion of ideologies like liberalism and socialism, the spread of the capitalist mode of production, the extension of military striking ranges, and the extension of nation-states across the world, at first with two empires and then with just one surviving. (Mann 2013: 11).

Globalization, thus, has powerful economic, political, cultural and social dimensions. Here we want to focus on four themes that appear with some regularity in the literature:

- de-localization and supraterritoriality;
- the speed and power of technological innovation and the associated growth of risk;
- the rise of multinational corporations; and
- the extent to which the moves towards the creation of (global) free markets leads to instability and division.

Globalization: delocalization and supraterritoriality

Manuel Castells (1996) has argued persuasively that in the last twenty years or so of the twentieth century, a new economy emerged around the world. He characterizes it as a new brand of capitalism that has three fundamental features:

Productivity and competitiveness are, by and large, a function of knowledge generation and information processing; firms and territories are organized in networks of production, management and distribution; the core economic activities are global —that is, they have the capacity to work as a unit in real time, or chosen time, on a planetary scale. (Castells 2001, p. 52)

This last idea runs through a lot of the discussion of globalization.

Globalization and de-localization

Many of the activities that previously involved face-to-face interaction, or that were local, are now conducted across great distances. There has been a significant de-localization in social and economic exchanges. Activities and relationships have been uprooted from local origins and cultures (Gray 1999, p. 57). One important element in this has been the separation of work from the home (and the classic move to the suburbs – see Putnam’s discussion of the impact on this on local social relations).

But de-localization goes well beyond this. Increasingly people have to deal with distant systems in order that they may live their lives. Banking and retailing, for example, have adopted new technologies that involve people in less face-to-face interaction.

Your contact at the bank is in a call centre many miles away; when you buy goods on the internet the only person you might speak to is the delivery driver. In this last example we move beyond simple notions of distance and territory into a new realm (and this is what Scholte is especially concerned with when he talks of globalization). When we buy books from an internet supplier like Amazon our communications pass through a large number of computers and routers and may well travel thousands of miles; the computers taking our orders can be on a different continent; and the books can be located anywhere in the world. The ‘spaces’ we inhabit when using the internet to buy things or to communicate (via things like chatrooms and bulletin boards) can allow us to develop a rather different sense of place and of the community to which we belong.

Not everything is global, of course. Most employment, for example, is local or regional – but ‘strategically crucial activities and economic factors are networked around a globalized system of inputs and outputs’ (Castells 2001, p. 52). What happens in local neighbourhoods is increasingly influenced by the activities of people and systems operating many miles away. For example, movements in the world commodity and money markets can have a very significant impact upon people’s lives across the globe. People and systems are increasingly interdependent.

[T]he starting point for understanding the world today is not the size of its GDP or the destructive power of its weapons systems, but the fact that it is so much more joined together than before. It may look like it is made up of separate and sovereign individuals, firms, nations or cities, but the deeper reality is one of multiple connections. (Mulgan 1998, p. 3)

Businesses are classic example of this. As Castells (2001) noted they are organized around networks of production, management and distribution. Those that are successful have to be able to respond quickly to change – both in the market and in production. Sophisticated information systems are essential in such globalization.

Globalization and the decline in power of national governments

It isn't just individuals and neighbourhood institutions that have felt the impact of de-localization. A major causality of this process has been a decline in the power of national governments to direct and influence their economies (especially with regard to macroeconomic management). Shifts in economic activity in say, Japan or the United States, are felt in countries all over the globe. The internationalization of financial markets, of technology and of some manufacturing and services bring with them a new set of limitations upon the freedom of action of nation states. In addition, the emergence of institutions such as the World Bank, the European Union and the European Central Bank, involve new constraints and imperatives.

Yet while the influence of nation states may have shrunk as part of the process of globalization it has not disappeared. Indeed, they remain, in Hirst and Thompson's (1996, p. 170) words, 'pivotal' institutions, 'especially in terms of creating the conditions for effective international governance'. However, we need to examine the way in which national governments frame their thinking about policy. There is a strong argument that the impact of globalization is most felt through the extent to which politics everywhere are now essentially market-driven. 'It is not just that governments can no longer "manage" their national economies', Colin Leys (2001, p. 1) comments, 'to survive in office they must increasingly "manage" national politics in such a ways as to adapt them to the pressures of trans-national market forces'.

The initiation, or acceleration, of the commodification of public services was... a logical result of government's increasingly deferential attitude towards market forces in the era of the globalized economy... A good deal of what was needed [for the conversion of non-market spheres into profitable fields for investment] was accomplished by market forces themselves, with only periodic interventions by the state, which then appeared as rational responses to previous changes. (Leys 2001, p. 214). In other words, the impact of globalization is less about the direct way in

which specific policy choices are made, as the shaping and reshaping of social relations within all countries.

Risk, technological innovation and globalization

As we have already noted, a particular feature of ‘globalization’ is the momentum and power of the change involved. ‘It is the interaction of extraordinary technological innovation combined with world-wide reach that gives today’s change its particular complexion’ (Hutton and Giddens 2001, p. vii). Developments in the life sciences, and in digital technology and the like, have opened up vast, new possibilities for production and exchange. Innovations like the internet have made it possible to access information and resources across the world—and to coordinate activities in real time.

Globalization and the knowledge economy

Earlier we saw Castells making the point that productivity and competitiveness are, by and large, a function of knowledge generation and information processing. This has involved a major shift—and entails a different way of thinking about economies. For countries in the vanguard of the world economy, the balance between knowledge and resources has shifted so far towards the former that knowledge has become perhaps the most important factor determining the standard of living—more than land, than tools, than labour. Today’s most technologically advanced economies are truly knowledge-based. (World Bank 1998).

The rise of the so-called ‘knowledge economy’ has meant that economists have been challenged to look beyond labour and capital as the central factors of production. Paul Romer and others have argued that technology (and the knowledge on which it is based) has to be viewed as a third factor in leading economies. (Romer, 1986; 1990). Global finance, thus, becomes just one force driving economies. Knowledge capitalism: ‘the drive to generate new ideas and turn them into commercial products and services which consumers want’ is now just as pervasive and powerful (Leadbeater 2000: 8). Inevitably this leads onto questions around the generation and exploitation of knowledge. There is already a gaping divide

between rich and poor nations – and this appears to be accelerating under ‘knowledge capitalism’. There is also a growing gap within societies (see, for example, Stiglitz 2013). Commentators like Charles Leadbeater have argued for the need to ‘innovate and include’ and for a recognition that successful knowledge economies have to take a democratic approach to the spread of knowledge: ‘We must breed an open, inquisitive, challenging and ambitious society’ (Leadbeater 2000, pp. 235, 237). However, there are powerful counter-forces to this ideal. In recent years we have witnessed a significant growth in attempts by large corporations to claim intellectual rights over new discoveries, for example in relation to genetic research, and to reap large profits from licensing use of this ‘knowledge’ to others. There are also significant doubts as to whether ‘modern economies’ are, indeed, ‘knowledge economies’. It doesn’t follow, for example, that only those nations committed to lifelong learning and to creating a learning society will thrive (see Wolf 2002, pp. 13-55).

Globalization and risk

As well as opening up considerable possibility, the employment of new technologies, when combined with the desire for profit and this ‘world-wide’ reach, brings with it particular risks. Indeed, writers like Ulrich Beck (1992: 13) have argued that the gain in power from the ‘techno-economic progress’ is quickly being overshadowed by the production of risks. (Risks in this sense can be viewed as the probability of harm arising from technological and economic change). Hazards linked to industrial production, for example, can quickly spread beyond the immediate context in which they are generated. In other words, risks become globalized.

[Modernization risks] possess an *inherent tendency towards globalization*. A universalization of hazards accompanies industrial production, independent of the place where they are produced: food chains connect practically everyone on earth to everyone else. They dip under borders (Beck 1992, p. 39). As Beck (1992, p. 37) has argued there is a boomerang effect in globalization of this kind. Risks can catch up with those who profit or produce from them. The basic insight lying behind all this is as simple as possible:

everything which threatens life on this Earth also threatens the property and commercial interests of those who live *from* the commodification of life and its requisites. In this way a genuine and systematically intensifying *contradiction* arises between the profit and property interests that advance the industrialization process and its frequently threatening consequences, which endanger and expropriate possessions and profits (not to mention the possession and profit of life) (Beck 1992, p. 39).

Here we have one of the central paradoxes of what Beck has termed 'the risk society'. As knowledge has grown, so has risk. Indeed, it could be argued that the social relationships, institutions and dynamics within which knowledge is produced have accentuated the risks involved. Risk has been globalized.

Globalization and the rise of multinational corporations and branding

A further, crucial aspect of globalization is the nature and power of multinational corporations. Such companies now account for over 33 per cent of world output, and 66 per cent of world trade (Gray 1999, p. 62). Significantly, something like a quarter of world trade occurs within multinational corporations (*op. cit.*). This last point is well illustrated by the operations of car manufacturers who typically source their components from plants situated in different countries. However, it is important not to run away with the idea that the sort of globalization we have been discussing involves multinationals turning, on any large scale, to transnationals:

International businesses are still largely confined to their home territory in terms of their overall business activity; they remain heavily 'nationally embedded' and continue to be multinational, rather than transnational, corporations. (Hirst and Thompson 1996, p. 98).

While full globalization in this organizational sense may not have occurred on a large scale, these large multinational corporations still have considerable economic and cultural power.

Globalization and the impact of multinationals on local communities

Multinationals can impact upon communities in very diverse places. First, they look to establish or contract operations (production, service and sales) in countries and regions where they can exploit cheaper labour and resources. While this can mean additional wealth flowing into those communities, this form of 'globalization' entails significant inequalities. It can also mean large scale unemployment in those communities where those industries were previously located. The wages paid in the new settings can be minimal, and worker's rights and conditions poor. For example, a 1998 survey of special economic zones in China showed that manufacturers for companies like Ralph Lauren, Adidas and Nike were paying as little as 13 cents per hour (a 'living wage' in that area is around 87 cents per hour). In the United States workers doing similar jobs might expect US\$10 per hour (Klein 2001, p. 212).

Second, multinationals constantly seek out new or under-exploited markets. They look to increase sales – often by trying to create new needs among different target groups. One example here has been the activities of tobacco companies in southern countries. Another has been the development of the markets predominantly populated by children and young people. In fact the child and youth market has grown into one the most profitable and influential sectors. 'The young are not only prized not only for the influence they have over adult spending, but also for their own burgeoning spending power' (Kenway and Bullen 2001, p. 90). There is increasing evidence that this is having a deep effect; that our view of childhood (especially in northern and 'developed' countries) is increasingly the product of 'consumer-media' culture. Furthermore, that culture:

... is underpinned in the sweated work of the 'othered' children of the so-called 'Third World'. [W]ith the aid of various media, the commodity form has increasingly become central to the life of the young of the West, constructing their identities and relationships, their emotional and social worlds... [A]dults and schools have been negatively positioned in this matrix to

the extent that youthful power and pleasure are constructed as that which happens elsewhere—away from adults and schools and mainly with the aid of commodities. (Kenway and Bullen 2001, p. 187).

Of course, such commodification of everyday life is hardly new. Writers like Erich Fromm were commenting on the phenomenon in the early 1950s. However, there has been a significant acceleration and intensification (and globalization) with the rise of the brand (see below) and a heavier focus on seeking to condition children and young people to construct their identities around brands. Third, and linked to the above, we have seen the erosion of public space by corporate activities. Significant areas of leisure, for example, have moved from more associational forms like clubs to privatized, commercialized activity. Giroux (2000, p. 10), for example, charts this with respect to young people:

[Y]oung people are increasingly excluded from public spaces outside of schools that once offered them the opportunity to hang out with relative security, work with mentors, and develop their own talents and sense of self-worth. Like the concept of citizenship itself, recreational space is now privatized as commercial profit-making venture. Gone are the youth centres, city public parks, outdoor basketball courts or empty lots where kids call play stick ball. Play areas are now rented out to the highest bidder...

This movement has been well documented in the USA (particularly by Robert Putnam with respect to a decline in social capital and civic community—but did not examine in any depth the role corporations have taken). It has profound implications for the quality of life within communities and the sense of well-being that people experience.

Fourth, multinational companies can also have significant influence with regard to policy formation in many national governments and in transnational bodies such as the European Union and the World Bank (key actors within the globalization

process). They have also profited from privatization and the opening up of services. As George Monbiot has argued with respect to Britain, for example: the provision of hospitals, roads and prisons... has been deliberately tailored to meet corporate demands rather than public need' (2001: 4). He continues:

... biotechnology companies have sought to turn the food chain into a controllable commodity and [there is an] extraordinary web of influence linking them to government ministers and government agencies.... [C]orporations have come to govern key decision-making processes within the European Union and, with the British government's blessing, begun to develop a transatlantic single market, controlled and run by corporate chief executives. (Monbiot 2001: 5)

While with globalization the power of national governments over macro-economic forces may have been limited in recent years, the services and support they provide for their citizens have been seen as a considerable opportunity for corporations. In addition, national governments still have considerable influence in international organizations—and have therefore become the target of multinationals for action in this arena.

Branding and globalization

The growth of multinationals and the globalization of their impact is wrapped up with the rise of the brand. The astronomical growth in the wealth and cultural influence of multi-national corporations over the last fifteen years can arguably be traced back to a single, seemingly innocuous idea developed by management theorists in the mid-1980s: those successful corporations must primarily produce brands, as opposed to products. (Klein 2001, p. 3).

As Naomi Klein (2001: 196) has suggested, 'brand builders are the new primary producers in our so-called knowledge economy'. One of the key elements that keeps companies as multinationals rather than transnationals is the extent to which they look to

‘outsource’ products, components and services. The logic underlying this runs something like the following:

.... corporations should not expend their finite resources on factories that will demand physical upkeep, on machines that will corrode or on employees who will certainly age and die. Instead, they should concentrate those resources in the virtual brick and mortar used to build their brands

Nike, Levi, Coca Cola and other major companies spend huge sums of money in promoting and sustaining their brands. One strategy is to try and establish particular brands as an integral part of the way people understand, or would like to see, themselves. As we have already seen with respect the operation of multinationals this has had a particular impact on children and young people (and education). There is an attempt ‘to get them young’.

Significantly, the focus on brand rather than the inherent qualities of the product as well as advantaging multinationals in terms of market development also has an Achilles heel. Damage to the brand can do disproportionate harm to sales and profitability. If a brand becomes associated with failure or disgrace (for example where a sports star they use to advertise their brand is exposed as a drug-taker; or where the brand becomes associated in the public’s mind with the exploitation of children – as for example has happened with some of the main trainer makers) then it can face major problems in the marketplace.

Globalization and the multinationals

While there is no doubting the growth in scale and scope of multinational corporations—the degree of control they have over the central dynamics of globalization remains limited. In reality, they are often weak and amorphous organizations. They display the loss of authority and erosion of common values that afflicts practically all late modern social institutions. The global market is not spawning corporations which assume the past functions of sovereign states. Rather, it has weakened and hollowed out both

institutions. (Gray 1999,p.63). While multinationals have played a very significant role in the growth of globalization, it is important not to overplay the degree of control they have had over the central dynamics.

Capitalism, free markets, instability and division

Amartya Sen (2002) has argued that ‘the market economy does not work by itself in global relations—indeed, it cannot operate alone even within a given country’. Yet, for some proponents of globalization the aim is to expand market relations, push back state and interstate interference, and create a global free market. This political project can be seen at work in the activities of transnational organizations like the World Trade Organization (WTO), the International Monetary Fund (IMF), and the Organization for Economic Cooperation and Development (OECD), and has been a significant objective of United States intervention. Part of the impetus for this project was the limited success of corporate/state structures in planning and organizing economies. However, even more significant was the growth in influence of neo-liberal ideologies and their promotion by powerful politicians like Reagan in the USA and Thatcher in the UK.

A new orthodoxy became ascendant. In the USA a Democrat President renounced ‘big government’; in Britain, the Labour Party abandoned its commitment to social ownership. The ‘markets were in command’ (Frank 2002, p. xv). The basic formula ran something like the following:

Privatization + Deregulation + Globalization = Turbo-capitalism = Prosperity (Luttwak quoted by Frank 2002, p. 17)

As various commentators have pointed out, the push toward deregulation and ‘setting markets free’ that so dominated political rhetoric in many northern countries during the 1980s and 1990s was deeply flawed. For example, the central tenet of free market economics—that unregulated markets ‘will of their own accord find unimprovable results for all participants’ has, according to Will Hutton (1995, p.237), ‘now proved to be a nonsense. It does not hold in theory. It is not true’. Historically, free markets have been

dependent upon state power. For markets to function over time they require a reasonable degree of political stability, a solid legal framework and a significant amount of social capital. The push to engineer free markets has contained within it the seeds of its own destruction.

The central paradox of our time can be stated thus: economic globalization does not strengthen the current regime of global *laissez-faire*. It works to undermine it. There is nothing in today's global market that buffers it against the social strains arising from high uneven economic development within and between the world's diverse societies. The swift waxing and waning of industries and livelihoods, the sudden shifts of production and capital, the casino of currency speculation – these conditions trigger political counter-movements that challenge the very ground rules of the global free market. (Gray 1999, p.7)

Capitalism is essentially disruptive and ever-changing—and takes very different forms across the world. While it produces wealth for significant numbers of people, many others have suffered. The gap between rich and poor has widened as global capitalism has expanded. For example, David Landes (1999, p. xx) has calculated that the difference in income per head between the richest nation (he cited Switzerland) and the poorest non-industrial country, Mozambique, is now about 400 to 1. 'Two hundred and fifty years ago, the gap between richest and poorest was perhaps 5 to 1, and the difference between Europe and, say, East or South Asia (China or India) was around 1.5 or 2 to 1' (*op. cit.*).

The development of markets, the expansion of economic activity, and the extent to which growing prosperity is experienced by populations as a whole has been, and remains, deeply influenced by public policies around, for example, education, land reform and the legal framework for activity. Economists like Amartya Sen have argued that 'public action that can radically alter the outcome of local and global economic relations'. For him the:

... central issue of contention is not globalization itself, nor is it the use of the market as an institution, but the inequity in the overall balance of institutional arrangements—which

produces very unequal sharing of the benefits of globalization. The question is not just whether the poor, too, gain something from globalization, but whether they get a fair share and a fair opportunity. (Sen 2002).

Strong markets require significant state and transnational intervention. To be sustained across time they also require stable social relationships and an environment of trust. Moreover, they can be organized and framed so that people throughout different societies can benefit.

In sum, one commentator has argued that there is a very serious case not against ‘globalization’,

... but against the particular version of it imposed by the world’s financial elites. The brand currently ascendant needlessly widens gaps of wealth and poverty, erodes democracy, seeds instability, and fails even its own test of maximizing sustainable economic growth. (Kuttner 2002)

The gap between rich and poor countries has widened considerably. However, as Sen (2002) has commented, to ‘see globalization as merely Western imperialism of ideas and beliefs (as the rhetoric often suggests) would be a serious and costly error’. He continues:

Of course, there are issues related to globalization that do connect with imperialism (the history of conquests, colonialism, and alien rule remains relevant today in many ways), and a postcolonial understanding of the world has its merits. But it would be a great mistake to see globalization primarily as a feature of imperialism. It is much bigger—much greater—than that.

For example, while the reach and power of multinationals appears to have grown significantly, neither they, nor individual national governments, have the control over macro-economic forces that they would like. Ecological and technological risks have multiplied. Globalization in the sense of connectivity in economic and cultural life across the world is of a different order to what has gone before. As we said at the start, the speed of communication

and exchange, the complexity and size of the networks involved, and the sheer volume of trade, interaction and risk give what we now label as ‘globalization’ a peculiar force.

Conclusions

Globalization theory is summarily not a description of a much changed world. Rather it is the imposition of neo-liberal economic principles upon the reality of an unequal and disordered system: the world as contemporary bourgeois theory wishes it to be. It is certainly true that the internationalization of capital has accelerated over the past 30 years. But within this process two developments have taken the system in a direction different from that envisaged by the globalizers. First, a key response to the fall in the rate of profit has been increased speculative activity and a huge growth in financial markets. This has not complemented the growth of productive capital at a global level but has diverted investible funds from it, making less likely the emergence of new centres of capital accumulation.

A second development involves decisions taken by MNCs to develop manufacturing on a regional, rather than a ‘global’ basis. Emergence of the ‘triad’ of investment zones has concentrated more and more of productive capital among networks of advanced economies. These networks are connected to Third World economies but are not active agents of the latter’s development; on the contrary, their consolidation is a vote of ‘no confidence’ in the Third World. Declining rates of productive investment have left most such economies weak and vulnerable to the currents, eddies and tidal waves created by global speculators. The two tendencies have a combined effect of greatly increasing the development ‘gap’ between the ‘triad’ and the NICs, and ‘the rest’. They intensify the unevenness of the world system, relegating to the also-rans even those states in which there were once hopes of modest advance.

In retrospect, mid-nineteenth century England was the subject of a far-reaching experiment in social engineering. Its objective was to free economic life from social and political control and it did so by constructing a new institution, the free market, and by breaking

up the more socially rooted markets that had existed in England for centuries. In contrast, the contemporary free market created a new type of economy in which prices of all goods, including labour, changed without regard to their effects on society. In the past economic life had been constrained by the need to maintain social cohesion. It was conducted in social markets—markets that were embedded in society and subject to many kinds of regulation and restraint. The goal of the experiment that was attempted in mid-Victorian England was to demolish these social markets, and replace them by deregulated markets that operated independently of social needs. The rupture in England's economic life produced by the creation of the free market has been called the Great Transformation (John Gray, *False Dawn: The Delusions of Global Capitalism*, (The New Press, 1998), p.1).

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Links The American Prospect – special segment on globalization: helpful collection of articles and links.

Globalization Theory as Repackaged Social Science Imperialism

Overview

On paper, the word “globalization” does not seem to be menacing. In dry terms, it denotes a process of international, multi-faceted cooperation that accelerates the integration of the world system by enabling the free movement of goods, services, information, and personnel between countries. The visible result is a “compression of the world” and an “awareness of the world as a whole”, in other words, the formation of a “global village.” But associated with the word “globalization” is a popular myth according to which the process it denotes is responsible for widening the gap between rich countries and poor ones. Some of its critics view this process as a more subtle reincarnation of old-style Western imperialism in new robes.

Introduction

The theories which guide the IMF’s policies are empirically flawed. Free market, neoclassical, and neoliberal are all essentially euphemisms for the disastrous laissez-faire economics of the late 19th century. This approach seeks to minimize the role of government—arguing that lower wages solve problems of unemployment, and relying upon trickle-down economics (the belief that growth and wealth will trickle down to all segments of society) to address poverty. Current procedures for globalization are global governance without global government. Unlike states, where separation of powers exists, International Financial Institutions, IMF, WTO, and World Bank, lack any necessary checks and balances. Those international financial institutions are isolated and sole deciders of financial policies and enforce without hearing any dissenting opinions, generally developing countries.

IMF's reckless liberalization, privatization, and deregulation violate developing countries' sovereignties. Thus rather than working for equity and extermination of poverty, financial institutions become spokespersons of the financial community. The procedures and rhetoric of financial institutions widen the gap between developed and developing, which resulted from undemocratic paternalism and lack of accountability, transparency. Undemocratic paternalism is inflicted through ideology, assuming the model IMF presents is universally applicable. Moreover lack of accountability and transparency is pronounced in unfair trade agenda, the Uruguay round. The North, EU and US achieved bilateral conventions called Blair House Agreement to circumscribe the regulations imposed on subsidization of agriculture, leading to the failure of Uruguay round and exposing developing countries to greater risk and volatility.

Marxist theoretical analysis of the contemporary world would affirm the existence of imperialism as an integral part of the global capitalist system. It has been argued that nation states have increasingly become irrelevant in the era of globalization and thus we need to move beyond the concept of imperialism, which is based on rich nations colonizing and exploiting the poorer nations. The problem with this argument is that it fails to identify the principal class forces which drive world capitalism today and instead confuses the changes in the form and character of imperialism with the disappearance of its essence and content.

Lenin's analysis of imperialism in the early decades of the 20th century was based on the development of monopolies as a result of concentration of capital and the coalescence between banking and industrial capital in advanced capitalist countries giving rise to finance capital. These national blocs of finance capital backed by their nation states resorted to imperialism – controlling the resources and markets of the poor countries. This also led to inter-imperialist rivalries between nation states over the division and re-division of their 'spheres of influence' causing wars like the world wars.

The way things have changed since Lenin's time can be seen in the development of international finance capital, which while

originating in the advanced capitalist nations is no longer national in its form. The transnational banks and financial corporations today have global operations and move around large volumes of capital across national markets on a daily basis in search of quick speculative gains. International finance capital is globally mobile and fluid, it is not tied to specific industries and it does not serve its interest to divide the world market into rival blocks. What it wants is a globally integrated market where it has unfettered freedom of movement. This is the force that drives the process of neoliberal globalization.

Rivalries between imperialist nation states have been subdued under the hegemony of international finance capital. However, this does not imply a disappearance of imperialism. Rather imperialism has acquired a particularly vicious form under the imperatives of international finance capital. The major imperialist powers have formed a bloc under the leadership of the US, which ensures that any challenge to neoliberal globalization and the hegemony of international finance capital is eliminated. In this, the role of the US state and its economy remains crucial.

This can be seen in the unfolding events under contemporary capitalism. The present crisis which started in 2007-08 was brought about by the depredations of finance – asset price bubbles created through reckless lending and speculation. In the immediate aftermath of the crisis, the imperialist nations took the initiative to form the G20 and proposed a coordinated expansion of state expenditure as the way towards recovery. But once the big banks and financial companies were bailed out using taxpayers' money, the imperialist powers—especially the US, Germany, France, UK—started advocating austerity measures and cutbacks in public spending. The burden of adjustment has been shifted on to the working people across the world through the austerity measures even as international finance has recovered from its losses at the expense of the state exchequer. This could not have happened had it not been for the imperialist nation states acting in unison in the interests of international finance. The possibility of a shift away from neoliberal globalization and curbing the power of big finance in the backdrop of the crisis is being stymied by imperialism.

By definition, imperialism is a policy of extending a country's power and influence through diplomacy or military force. With globalization, we see local and regional trends spreading out to the rest of the world through a mix of economic, sociocultural, technological and political influences. This can be attributed to international economic activities such as trade and investments as well as the wide usage of technology. To say that globalization is imperialism repackaged is true to a certain extent in that many developing countries are adopting methods of developing their economies that have been tried and tested by the Western economic powerhouses. In this way, we see that Western countries have in a way, extended their power and influence. This can be attributed to the setting up of MNCs in the developing countries and the consultative role the 1st World takes up. Coupled with the intervention by the 3 pillars of the global economy today, namely the World Bank, IMF and WTO, we see that Western countries have imposed their capitalist ways on the 3rd World. Hence, it can be said that globalization is imperialism repackaged.

However, it is important to note that the 3rd World still possesses some form of sovereignty in that they still have their own powers and rights and are not under extensive control by the Western nations. These nations still are able to make their own economic decisions, such as monetary policy and what industries to focus on. As such, while they may be influenced by the 1st World, they are in no way, under their legislation. Furthermore, there is increased interdependency nowadays. Outsourcing to the 3rd World in order to benefit from the lower costs of production has seen the 1st World's dependency on the 3rd World. The 3rd World has also acted as a larger market base for the established Western firms, while the 3rd World has been dependent on the 1st World for technology, expertise and even money. In conclusion, globalization is not imperialism per se, but rather an international exchange of influences and interdependency. It has been a case of strong Western influence over recent years that seemingly made globalization seem like Western imperialism repackaged.

Background: Globalization Was Imposed, Not ‘Evolved’

The developing world has been welcome to the ideas of globalization, but their people are wary of the realities as well purported to be “inescapable and irreversible.” But, if globalization is to create real peace and stability across the world, it must be a process benefiting all. It must not allow the most economically and politically powerful countries to dominate and submerge the countries of the weaker and peripheral regions. It should not be allowed to drain the wealth of smaller countries towards the larger ones, or to increase inequality between richer and poorer regions. These types of concerns have given rise to many criticisms of the current form of globalization, and given a bad name to “free trade” and “free market capitalism” in various circles.

At the 1944 Bretton Woods conference, which set up the post-WW II financial system, a proposal to establish an ITO—International Trade Organization—was voted down. This reflected the prevailing principled view that trade between nations was a prerogative of sovereign governments to determine what was in their mutual best economic interest, and not that of either supra-national agencies, nor private multi-national financial interests. Over the subsequent 15-20 years, this principle continued, despite exceptions and assaults, as post-war reconstruction took place, new nations gained independence, and the prospects for a vast advance in economic conditions globally were indicated in the “Atoms for Peace” program, to harness nuclear power.

The original goal of Franklin Delano Roosevelt, for a post-war “International New Deal” for deliberate multi-nation collaboration on infrastructure and rapid economic development was thwarted, because of direct opposition through the Truman Administration. But there was still a vector of development underway until the mid-1960s.

However, by the 1970s, this dynamic had been seriously undermined by the opponents of national sovereignty and development. In brief: In 1971, the dollar was “floated,” which ushered in the era of increasing uncertainty from fluctuating currency exchange rates and speculative activity, amounting to a

World Casino. Figure 1 shows that over two decades, the volume of currency exchange associated with trade in goods collapsed, in contrast to exchange associated with speculation.

In the United States, deregulation was launched in all manner of vital functions—trucking and rail, health care (1973 was the first HMO act), and energy, culminating in Economics. In the 1980s, Margaret Thatcher’s Britain became the world model for radical privatization and deregulation. In 1986, with the “Uruguay Round” of the U.N. General Agreement on Tariffs and Trade, a Thatcher-type campaign was launched to “reform” the entire world farm and food systems by taking away “trade-distorting” practices such as tariffs and national food reserves.

The sophistry of the GATT globalist movement was shown in its slogan, “One World, One Market” to argue that citizens of every nation had the “right” to access their food and all other needs directly from world sources, not from the “confines” of their own nations. “Borderless” free trade was the goal across the board for banking, labour, industrial and agricultural goods and services, and especially access to minerals and natural resources.

In January 1988, the Canada-United States Free Trade Act was signed. In 1992, NAFTA was concluded. In 1995 the World Trade Organization was established. During this process, when Germany was re-unified in 1990, the “free trade” movement was imposed on it, as well as on Russia, and other parts of the former Soviet bloc.

In the course of all this, a “blob” of cartels and multi-national financial networks positioned themselves for near-total control and killer-profiteering. In 1968, this was described explicitly as a “*world company*” project, by George Ball, a former Undersecretary of State, and Chairman of Lehman Brothers, in a speech to a conference of the Bilderberg Society, on whose steering committee he then served. Ball gave an outline of how the archaic nation-state system should be replaced by globalized corporate cartels.

The “names” associated with this process indicate the networks involved. Lehman Brothers itself, along with Lazard, are foremost entities, and have been in the forefront of the sell-off of the U.S. auto/machine tool capacity and other industrial assets, as well as infrastructure rip-offs through what’s now politely termed, “Public

Private Partnerships.” The poster boy for this process is Felix Rohatyn, long at Lazard, and now a top consultant for Lehman. Also in the line-up is George Shultz, direct collaborator of Rohatyn et al. One view of how the networks operate, is provided by John Perkins’ book, “Economic Hit Man.” This gang is now under scrutiny for their global equity fund and hedge fund frenzy of LBO grabs of companies, whose operations are then indebted, downsized, and ruined.

Globalization as a False Theory

Third World countries are often described as “developing” while the First World, industrialized nations are often “developed”. What does it mean to describe a nation as “developing”? A lack of material wealth does not necessarily mean that one is deprived. A strong economy in a developed nation doesn’t mean much when a significant percentage (even a majority) of the population is struggling to survive. Successful development can imply many things, such as (though not limited to):

- An improvement in living standards and access to all basic needs such that a person has enough food, water, shelter, clothing, health, education, etc.;
- A stable political, social and economic environment, with associated political, social and economic freedoms, such as (though not limited to) equitable ownership of land and property;
- The ability to make free and informed choices that are not coerced;
- Be able to participate in a democratic environment with the ability to have a say in one’s own future; and,
- To have the full potential for what the United Nations calls Human Development.

The theorists of globalization are in disarray. For a decade they argued that the world economy had changed fundamentally. They described a system integrated by the market and driven by capitalist energies which would deliver growth and unprecedented prosperity. A ‘global era’ of free flowing capital was to open up new opportunities for humanity as a whole, affecting economic

structures and political, social and cultural life. One assessment saw this approach as so significant that it had become 'a key idea by which we understand the transition of human society into the third millennium'(Walters,1995,p.1). The globalizes predicted rapid development of Africa, Asia and Latin America, even arguing that divisions between 'developed' and 'developing' nations, 'First' and 'Third' worlds, would become less significant and eventually meaningless. In the face of renewed economic crisis, however, and of stark evidence of deepening inequalities and the immiseration of vast numbers of people, 'globetalk' has become less strident. For one economic journalist, L. Elliott, *The Guardian*, 2 February 1998. writing in the wake of the South East Asian crisis of 1997, the model of globalization 'has been recalled by the makers'. "Globalization" is a term used with increasing frequency in the popular media, by activists in a range of organizations, and by politicians, yet discussion of its precise meaning has tended to be confined to academic circles, to economists and students of international relations. As John Kay said in the *Financial Times* recently (14/11/01) globalization can sometimes mean anything and everything "that people hostile to the modern economy don't like". Though Kay writes from a measured but essentially conservative perspective, he has a point. In fact, globalization is nothing but imperialism in a new dress, performing as it does the difficult task of creating optimal conditions for the free play of greed, class interest and profit-making.

Globalization theory maintains that all must benefit from recent changes. *The Economist*, house magazine of the global free marketeers, maintains that the world system now delivers 'more for all' and that vigorous growth in the Third World means 'it is the world's poor who will benefit most'(*The World in 1998*, *The Economist*, Special Report, December 1997). Every index of economic and social advance, however, suggests otherwise. Among most of the 4.4 billion people living in Africa, Asia and Latin America life has become a *more* desperate struggle for survival. The United Nations Development Programme (UNDP, 1998) estimates that 840 million people are malnourished, the great mass of them living in countries of the Third World. More than half the countries

for which statistics are available do not have enough food to provide all their population with the minimum daily requirement of calories (Caufield,1998,p.332).

In some regions hunger has become far more general: across Africa the average household now consumes 25 percent less than in the early 1970s (UNDP, op. cit.). Between 1995 and 1997 only 21 out of 147 Third World countries recorded per capita growth of over 3 percent a year – the rate specified by the UN for reduction of poverty (Ibid.). There are staggering inequalities. California alone (as stated in *The Independent* of 17 November 1998), has a gross domestic product (GDP) of equal value to that of China and India combined; the wealth of the world's 15 richest people now exceeds the combined GDP of sub-Saharan Africa; the wealth of the richest 84 individuals exceeds the GDP of China, with its 1.2 billion inhabitants (UNDP, op. cit.). There is no evidence to suggest that the 'global era' has brought prosperity, or even an alleviation of human suffering. On the contrary, even the conservative UNDP concludes that the picture is of 'a backlog of shortfalls and gaping inequalities'(Ibid.).

In fact, such tendencies have been evident for years without troubling the partisans of globalism. Only the spectre of world recession has caused them to question aspects of the theory. Tracing this development during the 1997 financial meltdown, L. Elliott and A. Brummer, *Special Report on the IMF*, of 3 July 1998 on *The Guardian* noted that 'the great edifice, globalisation, had sprung a leak, but the problem was minor, mere running repairs.' A year later, it suggested, things looked different: 'No longer is it a case of damp in the attic: whole rooms are deep in rising flood waters ... nobody knows for sure which country will be next ...' Responding to the mood of panic, Samuel Brittan of the *Financial Times* of 8 January 1998 felt compelled to write a nervous defence of world financial institutions under the title *Who's Afraid of Globalisation?*

But if the standard model of globalization has been 'recalled', so far it has merely been to modify the theory. For its partisans to reject the whole concept is almost unthinkable. Since the rise of neo-liberal economic theories in the late 1970s, notions of an expanding free market energized by unfettered capital movement

have dominated approaches to the world economy and to development theory. Complemented by the idea of a 'New World Order' in which, after the death of 'Communism', capitalism advances under US guidance, globalization theory has become a celebration of liberal capitalism. In the words of Yukuta Kosai of the Japan Centre for Economic Research, there has been 'a global shift' towards prosperity (quoted in *The Independent*, 10 February 1997). To question the core assumptions underlying globalization is to question these principles – and much of the rationale for the world system.

Capitalism involves a restless search for profit by a class prepared to mobilize all means to pursue its ends and willing to elaborate all manner of rationales for its activities. In response to the world crisis of the 1920s and 1930s, for example, its ideologues abandoned a commitment to the free market in favour of highly restrictive state-based policies which willing academics soon justified with complementary theories. Such a turn is again possible but it is proving difficult for the globalisers to abandon ideas which have been presented both as a means of understanding the world system and as the blueprint for its future. In September 1998 the British economic journalist William Keegan in *Bankers Hold Out Against War On Slump* published in *The Observer*, of 20 September 1998, reported on meetings of the Group of Seven (G7, the leaders of the seven dominant capitalist states) called to discuss problems of world recession. He noted their confusion and that of international financial officials, quoting one who admitted, 'We are worried. We are talking like mad to one another.

But we haven't a clue what to do'. Under such circumstances the globalizers are reluctant to desert their faith. Privately, noted Keegan, officials at the G7 summit recognized 'growing disillusionment with what "globalization" has brought to some countries'. At the same time, such officials were not ready to abandon the orthodoxy: 'there are no signs yet of anything approaching a change of heart' (Ibid.). Academics who have criticized the theory show the same reluctance to question its key principles. On the one hand, it has become fashionable to recognize the 'downside' of globalization. In a typical recent account,

Nicholson writes, ‘Globalization has done little to remedy the big discrepancies in wealth in the world and may well have done things to make it [*sic*] worse’ (Nicholson, 1998, p.65). On the other hand, such ‘revisionists’ argue that globalization is well under way or is accomplished, alleging that those who question the theory are unwilling to recognize changes in the world system: the expansion of market forces, the free movement of capital, and the enfeebled condition of nation states. They also stress the novelty and inevitability of these changes: for Gray (1998, p.206) for example, ‘The world historical moment we call globalization has momentum that is inexorable’.

In fact, the globalization thesis *as a whole* is suspect. Investigation of the world economy today reveals a situation plainly at odds with the globalizers’ main principles. Although some areas of the world economy show evidence of more fluid capital movement, some do not. Although, in one sense, there has been integration – nowhere is immune from the market economy – some regions formerly central to world capitalism have been driven to its margins. Some states are weak – but only in relation to very strong states which continue to dominate world affairs. The picture is one of unevenness and of contradiction. The notion that human beings are passive in the face of relentless economic and technological change is also false – as the upheavals in South East Asia have demonstrated. But most of its partisans remain firmly attached to the notion of globalization. Their views are so much at odds with world realities that they should not be viewed merely as misunderstandings but as ideological constructions: ideas mobilized to justify and to perpetuate relations of exploitation and to assist in containing collective responses from below.

A Global Market?

Uneven development and crises in the global market occur to human beings in the current global economic system because of past economic activities of inequality, under development and exploitation. To solve the problem, the fundamental economic approach needs change from globalizing to localizing. Localization

can contribute to reduce co2 emission, solve the economic problem (uneven development), and restore biodiversity as well as cultural diversity. Localizing is one of the ways to create secure jobs in the global population. The reason is that after subsidizing the poor regions to enhance economic activities and develop them, the subsidies enable the products from thousands miles away to be sold cheaper than the local products, which destroys the local market. This situation rapidly leads to unemployment and religious conflict. The globalized economy enables people to control other places from a far distance, without knowing the situation in the region. Large investments on subsidizing the transportation system make products from thousands of miles away cheaper than local products. Due to the collapse of the local market that follows, the people in the poor regions lose their job, while the investors make a lot of profit and promote uneven development.

'Utopians': Recent attempts to modify globalization theory attempt to rescue the perspective from its radical and Marxist critics, alleging that they focus on the wrong issues. Gray, for example, argues that sceptics have attacked only 'hyper-globalization', what he calls 'the McKinsey worldview—the view of things propagated by American business schools' (Ibid.,p.64). He continues:

No one except a few Utopians in the business community expects the world to become a true single market, in which nation states have withered away and been supplanted by homeless multinational corporations. Such an expectation is a chimera of the corporate imagination. Its role is to support the illusion of an inevitable worldwide free market (Ibid.).

Gray also goes to pains to explain 'what globalization is not', with the purpose of rescuing the idea from those he dubs 'extreme globalizes' (J. Gray, *ibid.*, p. 76). To view globalization in this way, it is alleged, merely sets up a straw man, a caricature of globalization that is easily dismissed and allows critics to ignore the real changes in the world system. The question of which theory of globalization to address has also provoked debate among US academics associated with the *Monthly Review* journal. The exchanges reveal how disorienting are notions of globalization which accept the

globalizers' terms of reference and their contention that a positive world integration has been accomplished as demonstrated by the articles by Tabb, Du Boff and Herman, and Ellen Meiskins Wood in *Monthly Review*, June, July–August, and November 1997.

But Axford (1995, p.94), reviewing a mass of globalist literature, concludes, 'Much recent discussion of the world economy has emphasized the complete 'globalization' of economic relations, so much so that there is sometimes an unquestioning certainty about the existence of a truly global economy'. Hirst and Thompson (1996, p. 195) concur: 'It is widely asserted that a truly global economy has emerged or is emerging'. They describe the globalist orthodoxy: 'The world has internationalized in its basic dynamics, is dominated by uncontrollable global market forces, and has as its principal actors and major agents of change truly transnational corporations (TNCs), which owe their allegiance to no nation state and locate wherever in the globe market advantage dictates'. (Ibid., p. 195). Globalizes appear to be unanimous in relation to the nation state, which is said to have been weakened or even rendered irrelevant by economic processes. Horsman and Marshall present a typical analysis, suggesting that, 'Effortless communications across boundaries undermines the nation state's control; increased mobility, and the increased willingness of people to migrate, undermine its cohesiveness.

Business abhors borders and seeks to circumnavigate them ... The nation state ... is increasingly powerless to withstand these pressures.' Quoted in I. Douglas, *Globalisation and the End of the State?*, in *New Political Economy* 2:1 (1997), p. 167. In addition, whatever realities it must confront, corporate capital wishes to propagate the view that there is a global rationale to its activities. Hoogvelt (1997, p. 124) notes that corporations, international organizations, governments and the media increasingly speak as if they are operating within a 'globalised' system of freely flowing capital, especially when they wish to discipline the workforce by reference to capital mobility and the 'portability' of jobs.

These ideas are far more pervasive than the global 'revisionists' suggest. Niall FitzGerald, vice-chairman of Unilever in "Harnessing the Potential of Globalization for the Consumer and Citizen"

(*International Affairs*, vol. 73, no. 4, October 1997, p. 741), one of the largest European corporations, argues that globalization should be accepted 'as a fact of life'. We live in a "global village" of diminished borders, internationalism and free trade', he maintains. Companies are not debating the existence of a global condition, 'they are responding to its effects'. Globalization 'is simply the latest phase in the evolution of international business and the integration of the world economy' (Ibid.).

Some former critics of the international system have been won to the argument that market integration is indeed a means of advancing human interests as a whole. Nigel Harris (1997), p. 228), a former editor of this journal who is now an enthusiastic globalizer, argues that capital circulates worldwide with increasing freedom, restrained only by the enfeebled state structures of an earlier era. Harris concludes that from within a new order, 'world interest and a universal morality are struggling to be reborn'.

The conviction that world integration is imminent or even accomplished affects even those who continue to express hostility to international capital. William Robinson, for example, attacks the system as one that has produced 'prolonged mass misery and social conflict' (*Globalisation: Nine Theses for our Epoch*, in *Race and Class* 38:2, 1996, p. 28). He nonetheless accepts much of the globalizers' thesis. According to Robinson, transnational capital is a 'juggernaut'; it 'has been liberated from any constraints on its global activity' and has achieved 'total mobility and access to very corner of the world' (Ibid., p. 14). This novel development is 'the fundamental dynamic of our epoch': 'In my view ... activists and scholars alike have tended to understate the systemic nature of the changes involved in globalization, which is redefining all the fundamental reference points of human society and social analysis, and requires a modification of all existing paradigms' (Ibid., p. 13).

There is a further widespread assumption about the global market that corporate capital is keen to encourage, one especially relevant in the context of developments in the Third World. This is the view that world society should now be understood as a complex of consumers, a mass of individuals whose interests can be served uniquely well by the market economy. Absorbed from classical

economics and applied by globalization gurus such as management theorist Kenichi Ohmae, this sees a 'borderless world' in which freely moving capital interacts directly with the consumer. Encouraged by the spread of global media, it is said, there are unlimited opportunities to exercise choice: for the first time billions of people have direct access to goods and services.

This approach has had its impact on academic theorists of globalization and of 'global culture'. Reviewing their perspectives, Waters comments that in a 'culturised' world economy, 'world class is displaced [*sic*] by a world status system based on consumption, lifestyle and value commitment' (Waters, op. cit.). On this view, the integration of world society is a function of increased enthusiasm for shopping. Such a view might be seen as merely bizarre or as the 'utopian' vision of a few academics and corporate strategists if it were not one embraced in thousands of boardrooms. Evidence of the reality of world integration and of social harmonization is seen in the emergence of new social categories such as the 'global teens' said to occupy a 'global space' – 'a single pop-culture world, soaking up the same videos and music and providing a huge market for designer running shoes, T-shirts and jeans'. These new layers of consumers, whose tastes cross old political and cultural boundaries, are viewed as testimony to the global condition. So for FitzGerald of Unilever we now live in a 'world of diminishing borders, corporate responsibility, individualism and consumer power'. Its true benefits lie in the relations that can be established between business and consumer: in the new era, it is a matter of 'harnessing the potential of globalization for the consumer and citizen' (N. FitzGerald, op. cit., p. 739).

In the real world

Binding all countries together with its mode of production and its commerce, capitalism has converted the whole world into a single economic and political organism. Just as modern credit binds thousands of undertakings by invisible ties and gives to capital an incredible mobility which prevents many small bankruptcies but at the same time is the cause of the unprecedented sweep of general

economic crisis, so the whole economic and political effort of capital, its world trade, its system of monstrous state debts, and the political groupings of nations which draw all the forces of reaction into a kind of worldwide joint-stock company, has not only resisted all individual political crises, but also prepared the basis for a social crisis of unheard of dimensions.

'Wastelands': These approaches are not the ideas of cranks from which more perceptive theorists of globalization can now distance themselves. They are views widespread among theorists of globalisation which should be made to stand against the realities of the international political economy and the condition of humanity worldwide.

Rather than exercising new powers as consumers, billions of people are being forced to the very margins of the world system where notions of taste, choice and assertion of status must be measured against the imperative of survival. Over the past 30 years there has been a very rapid increase in global inequality. This is crudely estimated by the United Nations, based on differences between homogenized 'developed' and 'developing' nations. As we shall see, this is an inappropriate means of understanding world inequality but it does give 'headline' figures that stand starkly against the globalizers' account. Between 1960 and 1994 the gap in per capita income between the richest fifth of the world's people (most in developed countries) and the poorest fifth (most in developing countries) more than doubled – from 30:1 to 78:1. By the mid-1990s this trend was becoming more marked: by 1995 the ratio was 82:1 (UNDP, *Human Development Report 1997*. Oxford University Press 1997).

In 1997 the richest fifth of the world's people obtained 86 percent of world income; the poorest fifth received just 1.3 percent. Some 1.3 billion people subsisted on less than \$1 per day – a life threatening decline in living standards since the 1960s. The trend was also accelerating: by 1996 no less than 30 countries (Figure 3) showed an annual decline in the Human Development Index (HDI), which measures literacy, life expectancy, and access to health services, safe water and adequate food. Among 147 countries

defined as within the ‘developing’ world, 100 had experienced ‘serious economic decline’ over the past 30 years (Ibid.).

Figure 3: Basic Development Indicators—Selected Countries

	Human Development Index (HDI)*		GDP per capita (US\$)	
	1970	1995	1970	1995
US	0.881	0.943	14,001	20,716
UK	0.873	0.932	8,463	13,445
S. Korea	0.523	0.864	967	5,663
Malaysia	0.471	0.834	1,001	3,108
Brazil	0.507	0.809	2,049	2,051
Egypt	0.269	0.551	338	726
India	0.254	0.451	245	425
Zambia	0.315	0.378	440	257
Senegal	0.176	0.342	723	661
Haiti	0.218	0.340	333	231
Gambia	0.107	0.219	240	274
Niger	0.134	0.207	554	275
Sierra Leone	0.155	0.185	222	171

*HDI is calculated using figures for life expectancy, educational attainment (adult literacy and combined primary, secondary and tertiary enrolment), and standard of living (measured through adjusted income).

[Source: UNDP, Human Development Report 1998]

Some regions of the Third World, says the UNDP, have become ‘economic wastelands’ (Ibid.). Most countries of sub-Saharan Africa are far behind the base growth level of 3 percent over a generation which is identified as necessary to reverse current trends to greater mass poverty. By 2030, the UNDP estimates,

world GDP will more than double but Africa will experience a further sharp decline in its share of the world total: from 1.2 percent in 1997 to 0.4 percent (Ibid.). The majority of Africans—some 500 million people—will be further marginalized within an increasingly productive world system.

Countries defined by the World Bank as being ‘middle income’ or ‘upper middle income’, and by the UN as showing ‘high human development’, have also shown a steep decline in living standards. In Latin America, long regarded as a relatively advanced region, the number of people living in poverty increased between 1990 and 1995 from 183 million to 230 million, or 48 percent of the continent’s population (in W.I. Robinson, op. cit., p. 29). In 1994 the UN’s Food and Agriculture Organization (FAO) estimated that 59 million Latin Americans were suffering chronic hunger (Ibid.).

In Asia, 40 years of growth among the Tiger economies had made them models for mainstream development strategists. Even before the meltdown of 1997, however, the World Bank noted ‘a consistent pattern of poverty throughout the region’, pointing out that a billion people lived below the poverty line, including over one third of the population of China. It also noted that inequality in a series of countries, especially in South East Asia, was becoming much more pronounced (*The Guardian*, 28 August 1997). In October 1998 the United Nations Children’s Fund (Unicef) reported that malnutrition in some parts of the region, notably Thailand, Indonesia and Malaysia, had reached proportions hitherto associated only with ‘the benchmark of poverty – Africa’ (*The Guardian*, 17 October 1998). The Philippines government pleaded for massive aid from Western governments, arguing that that for the first time in 20 years, ‘the war against poverty ... is being lost [sic]’ (reported in *The Guardian*, 14 October 1998). Even the Singapore government, which has long suppressed all ‘bad news’ stories, warned of the implications of unemployment and deepening poverty in neighbouring Indonesia, quoting estimates that half the Indonesian population of over 200 million would be below the poverty line by the end of 1998 (Ibid.).

In the worst affected regions such as the Horn of Africa and parts of West Africa, attempts to stimulate even basic development

have largely been abandoned. Cox comments: 'The perception that much of the world's population is not needed by the global economy seems to have been recognized implicitly (though never openly) by the principal world institutions. Policies to promote economic development have been very largely displaced in favour of what can be called global poor relief and riot control' (Cox, 1995, p. 41). In these regions some states do not even feature in research programs upon which organizations such as the UN base their analyses. Somalia, for example, has simply disappeared from the usually comprehensive UNDP reports.

Class: Inequalities are now so stark that even the UNDP recently reported the findings of *Forbes Magazine*, the US business journal, which in 1997 identified 225 people worldwide as having combined wealth of \$1 trillion. Of these ultra-rich, over 60 percent were based in the most advanced industrial countries, including Japan. Of the rest, about half were based in Asia, a quarter in Latin America and the Caribbean, and the rest in Arab states, Russia and Eastern Europe. Two of the 225 were from Africa – significantly from South Africa ((reported in UNDP (1998), p. 30). Although these figures show the usual weighting towards developed countries, they also show accumulation of wealth in the developing countries on a scale which was unthinkable during the colonial era.

Countries viewed as closely integrated into the most dynamic sectors of world economic activity show massive disparities of income. Panama is the location of a key artery of the world trade system and is categorised by international agencies as within the elite of developing countries. While the richest fifth of the population enjoys annual average per capita income of \$17,611, the poorest fifth earns on average only \$589. Over 25 percent of the population is below the internationally defined poverty line of \$1 a day. At the other end of the scale, in Senegal, categorised within the group of least developed countries, the richest fifth have average per capita incomes of \$5,010; the poorest fifth have a mere \$299 (Ibid.). In nearby Guinea-Bissau, the figures are \$2,533 and \$90 respectively. Here 87 percent of the population attempts to survive on less than \$1 a day and 40 percent are below the less testing local poverty line (Ibid.).

All available evidence suggests that inequality is becoming much more pronounced. During the 1960s the poorest 50 percent of people in Brazil received some 18 percent of national income; by the mid-1990s the figure had fallen to 11.6 percent (Ibid.). In Egypt, where the regime has been a Third World pioneer of neo-liberal economic strategies, 23 percent of the population was estimated to be below the poverty line in the late 1970s; by the early 1990s the figure had risen to over 40 percent (El-Ghonemy, 1998, p. 231).

The human experience, far from being universalized by market forces, is more differentiated than ever. For billions of people the idea of choice, consumerism and 'value commitment' brought by a global era is fantasy. In fact, the recent phase of supposed global advance has brought increased suffering and uncertainty for far longer than the Great Depression of the 1920s and 1930s.

Combined and uneven development

To fully understand the asymmetric relationships between the developed and the underdeveloped countries in the global system, there is the need to revisit dependency theory. Dependency theory evolved in Latin America during the 1960s and later it found favour in some writings about Africa and Asia. Since both orthodox as well as the radical writers have assimilated dependency into their interpretation of development and underdevelopment, resulting in considerable confusion, effort should be made here to distinguish the nature of dependency that the underdeveloped countries are subjected to turn what the orthodox scholars may claim. Contemporary perspectives of dependency reveal the contrasting forms of dominance and dependence among the nations of the capitalist world. Another fundamental concern of the dependency theory revolves around the notion that the underdeveloped countries are referred to, by many, as developing countries as if to say their development is evolutionary. Dependency relations have also shaped the social structure of underdevelopment. When the imperialist powers could no longer hold on to power in the formerly colonized territories they were forced to surrender power.

Marx and the world system: We require an approach which can make sense of the partial and contradictory character of change. Such an analysis is to be found in theories of development pioneered by Marx and which were refined by Trotsky in the early years of the 20th century. Together with Marx's theories of the circulation of capital and of capitalist crisis, they allow an understanding of the dynamics of today's world system. They also make central the social forces that bourgeois theories including globalisation make irrelevant: the masses of the exploited worldwide.

The description of capitalist expansion by Marx and Engels in *The Communist Manifesto* (in K. Marx and F. Engels, *Selected Works*, Moscow 1962, pp. 34–35) captures the driven nature of the bourgeois project and its global implications. The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere:

“The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country ... All old-established national industries have been destroyed or are being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilised nations, by industries that no longer work up indigenous raw material but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations.”

Marx, Engels and their co-thinkers anticipated that the expansion of capitalism from Europe would produce steady progress towards capitalist relations across what they called the ‘colonial world’. Initially they expected that the immense economic and political weight of capitalism in the West would stimulate the growth of local capitalist classes, overwhelming rulers whose

privilege rested upon pre-capitalist relations. As they wrote in *The Communist Manifesto*, 'The cheap prices of its commodities are the heavy artillery with which [capitalism] batters down all Chinese walls' (Ibid.). In India, where British rule was bringing rapid change, Marx (in The Future Results of the British Rule in India, in K. Marx and F. Engels, *On Colonialism* (Foreign Languages Publishing House), p. 84), commented that England had 'a double mission ... one destructive, the other regenerating – the annihilation of the old Asiatic society, and the laying of the foundations of Western society in Asia'. The colonialists' were wholly self-serving and, according to Marx (in *The British Rule in India*, in K. Marx, *On Colonialism, op. cit.*, p. 39), their methods were 'vile', but in India he observed that they were transforming a largely rural society in ways that eventually would have positive outcomes. Atomized, self-contained village communities were being brought together by railways, the telegraph and the centralizing impact of a British army and administration. In the course of time, social forces capable of revolutionizing Indian society would emerge, producing 'the only social revolution ever heard of in Asia' (Ibid., p. 37).

Marx expected that this process would be general and that capitalism would spread worldwide, integrating every region into the system of commodity production. It would thus create the material, social and subjective conditions which would allow mankind as a whole to achieve revolutionary change and a classless society. In this perspective all countries would pass through the stages of development which had been witnessed in Europe, involving a relatively slow (though often traumatic) progress towards industrial capitalism – what might be termed (although Marx did not use the word) an 'even' development of the world system. As Marx spelt it out in the preface to *Capital*, 'The country that is more developed industrially only shows to the less developed the image of its own future.'

But this was not a one dimensional attitude to capitalist progress. During the European revolutions of 1848 Marx and Engels (on the bourgeoisie in the German Revolution, in F. Engels, *Revolution and Counter-revolution in Germany*, in K. Marx and F. Engels, *Selected Works, op. cit.*, vol. 1, p. 300) had observed the

‘indecision, weakness and cowardice’ of parties of the bourgeoisie. This confirmed their notion of the ‘permanency’ of revolution, in which the most energetic and intransigent agents of change were the proletarians. Subsequent events gave them cause to modify further their approach to the bourgeoisie at a world level. The European experience was not simply reproduced worldwide, Marx noted. Colonial powers faced hostility from subject populations, to which they responded with savage repression. Capitalism could not even accommodate the aspiration for independence expressed by embryonic local bourgeoisies, which were not permitted to emerge as an independent force. Put another way, everywhere the bourgeoisie was weak and uncertain, and could not fulfil its ‘historic tasks’ of capitalist development. In the case of India, Marx, (in *The Future Results of the British Rule in India*, op. cit., p. 88) noted, the interests of the masses would be best served by proletarian revolution in the West, or by an indigenous movement in which ‘the Hindus themselves shall have grown strong enough to throw off the English yoke altogether’.

This recognition of more complex and contradictory patterns of change was taken further in Marx’s later writings. He suggested that in Russia, also a ‘backward’ country in which the embryonic capitalist class was weak, it might be possible to accelerate capitalist development. He observed that the Russian state had already implanted advanced industrial methods within a basically agrarian society, noting that ‘the state has fostered a hothouse growth of the branches of the capitalist system’ (quoted in I. Cummins, *Marx, Engels and the National Movements*, London 1981, p. 147). These observations were made as part of a debate with Russian populists which focused on other issues but reveal that Marx had become aware of processes by which, in non-industrial countries, changes introduced by capitalism could result in novel patterns of change. The most important of these was the co-existence of an ‘implanted’ modern industry with the traditional rural economy.

Trotsky’s insights: Following the revolution of 1905 Trotsky made a far fuller analysis of developments in Russia. He focused upon the rapid growth of industry. This, he noted, had not emerged only or even mainly as the result of change pioneered by an indigenous

capitalist class like those which had revolutionised society in Western Europe. Russian industry was largely of foreign origin and, encouraged by the Tsarist state, it had been implanted in the form of the modern, capital-intensive enterprise. He noted that 'capitalism in Russia did not develop out of the handicraft system [as in Europe]. It conquered Russia with the economic culture of the whole of Europe behind it' (*Results and Prospects*, in *The Permanent Revolution and Results and Prospects*, New York 1969, p. 49). He continued, 'European capital projected its main branches of production and methods of communication across a whole series of intermediate technical and economic stages through which it had to pass in the countries of origin.' Change in Russia had therefore been abrupt: 'In a short period [European capital] converted a number of old archaic towns into centres of trade and industry, and even created, in a short time, commercial and industrial towns in places that had been absolutely uninhabited' (Ibid., p. 51).

Trotsky described a process in which modern factories, transport systems and administrative structures coexisted with traditional practices: huge steelworks and engineering plants could be found alongside fields in which peasants still used the hoe. The pattern of development was uneven, combining the most advanced methods with traditional techniques, and producing centres of modern industry which were enclaves within a predominantly agrarian society. Trotsky observed that a journey from the countryside to the city could take peasants directly from the traditional context to the modern, from the isolation of rural communities to workplaces in which a new collective, the proletariat, was being established as a class with heightened expectations of change. He spelt out the revolutionary consequences, most importantly that the new working class had become a more coherent and powerful force than any other in the society, including the weak local bourgeoisie, and was destined to lead the struggle for socialist revolution. This was the basis for Trotsky's theory of permanent revolution, dramatically confirmed during the Russian Revolution of 1917.

Uneven development today: Throughout the 20th century, change in Africa, Asia and Latin America has been marked by a similar pattern

of combined and uneven development. No region is untouched by market relations but these have not propelled societies steadily towards growth. Rather there are patterns of extreme unevenness. These are expressed, for example, in the ‘megacities’ of the Third World, in which modern industries have drawn in millions of former peasants to establish a new proletariat. At the same time, they are home to vast numbers of urban poor and to migrant labourers and semi-proletarians who may have a stake in the rural economy as well as in the city. Such cities also express the yawning gap which has emerged between the new bourgeoisies of such countries and the mass of the exploited, captured in the presence of five star hotels offering *haute cuisine* alongside slums in which vast numbers of people struggle for survival. Jakarta, Calcutta, Rio, Cairo, Bombay, Istanbul, Shanghai, Lima, Caracas and many others bear witness to the real outcome of changes in the world economy.

In most regions, change was at first associated with intrusion of Western capital. Later local bourgeoisies developed greater coherence and ambition but even in the post-colonial period they have remained junior partners in the imperialist system. Today some are little more than parasitical groups which share revenue from processing of local raw materials: the Gulf ruling classes, for example, are rewarded by the oil majors for guaranteeing access to the oilfields. Other ruling classes have made complex, sustained interventions in the local economy, largely through structures of the state. This is in general the case in the Newly Industrializing Countries (NICs) – a handful of states in which there has been relatively rapid industrial growth. They include Brazil, Argentina, Mexico, India, and the more celebrated East Asian ‘Tiger’ economies – South Korea, Taiwan, Hong Kong and Singapore. Alex Callinicos (1987, p. 108). comments of the NICs:

“They are ... cases of the process of uneven and combined development analysed by Trotsky in Tsarist Russia at the time of the 1905 revolution. They combine in equal measure ‘advanced’ and ‘backward’ features – advanced industry and authoritarian politics, a modern proletariat and great pools of misery and poverty. It is this combination which makes them liable to huge social and political explosions.”

One feature of change in the Third World which has invariably puzzled bourgeois analysts has been the level of engagement of urban populations and especially of the working class. Among a host of examples, the Chilean events of 1970–1973, the Iranian revolution of 1978–1979, the struggles in South Africa throughout the 1990s, and the Indonesian upheaval in 1998, have all demonstrated the specific weight of the proletariat within societies still regarded as in the process of development. Trotsky's analysis of class relations within the process of combined and uneven development has proved prophetic.

The NICs are examples of capitalist advance, but the unevenness of the world system has also produced the contraction and collapse of local economies. All states are subject to problems of world crisis but those most distorted by the world system are especially fragile. Thus, where capital has penetrated a country or region in order to extract specific raw materials or to use local resources for processing, changes in the world market or in local conditions can produce very rapid decline. In the mid-1970s, two thirds of exports from Chad were cotton; two thirds of Chile's exports were copper; and two thirds of Ghana's exports were coffee. In the same period, almost three quarters of Congo's exports were timber; a similar proportion of Cuba's exports were in sugar; and of Liberia's in iron ore (Harrison, 1993), p. 350). Like scores of other countries, they faced immense difficulties during the world economic crisis of the mid-1970s. In some cases, local revenues declined precipitately. In Zambia, where the state had obtained half its income from the copper industry, a fall in world prices meant that by 1977 its receipts from this source had declined to nil, with catastrophic consequences for a population soon deprived by the state of subsidized basic foods (Ibid., p. 351).

During periods of world recession, some vulnerable regions can be pushed to the margins of the system. Throughout the 1970s and 1980s countries of the Horn of Africa faced increased difficulties. They had not been exploited intensively for mineral or agricultural riches and were of little concern to the centres of world power. When wracked by repeated famines, mass movements of population and dislocation of economic and social structures, local

states became highly unstable and by the early 1990s one state, Somalia, had collapsed. This produced a spectacle which might be a metaphor for world development: while millions starved in Somalia, in nearby Saudi Arabia, long exploited for its oil resources, billions of dollars were being mobilised to safeguard Western interests. There have since been further collapses in West Africa, where a series of local economies have become increasingly fragile and where in the mid-1990s the Liberian state disintegrated. Worldwide, more and more regions face such prospects.

The theory of combined and uneven development embraces change at a world level: it takes from Marx the notion of capitalism as an expanding system which draws in and integrates all countries, albeit in ways that Marx had not at first anticipated. It is a *global* perspective – but not one of ‘globalisation’. It does not speak of positive integration by the market but of unevenness, inequality and asymmetry. Rather than harmony and increased prosperity we have more of instability, conflict and needless suffering. And rather than a passive population ready to accept its allocated role in global consumerism we have increasingly large and energetic political collectives, above all a more assertive working class.

Global capital

The rise of the global economy has been accompanied by large increases in international trade, investment, technological innovation and migration. These changes cannot be undone, and they have created new opportunities for economic growth in industrialized countries. But the global labour force has expanded fourfold since the 1980s, and supply of unskilled labour exceeds demand. To extend promise to more citizens, developed nations should institute new forms of social assistance, with particular emphasis on education, employment assistance and health care. As industrialized countries benefit from globalization, they have a responsibility to minimize conflict, ensure that all citizens have the chance to gain useful and diverse skills, and distribute benefits more evenly.

Forms of capital: The theory of combined and uneven development provides a framework for understanding the pattern of world development. But just as Trotsky relied upon Marx's economic theories to explain the dynamics of Russian capitalism, so it is necessary to mobilize Marx's approach to understand recent developments in the world economy, especially the increased inequalities between the West and the Third World, and within Third World societies, that the globalist account conceals.

Marx's approach to the circulation of capital is vital to this task, especially because of the globalizers' insistence that capital flows are the key element in making a more equitable world. In classical economics and its contemporary variant, neo-liberalism, capital is essentially unitary, expressing itself as money, investment or profit and growing by virtue of entrepreneurs' energy in exploiting opportunities offered by the marketplace. In the globalist perspective, capital flows worldwide as the result of direct investment by companies and individual entrepreneurs, of activity on stock markets and commodity exchanges, and of initiatives taken by banks and finance houses. It is the change in volume and speed of capital transfers that makes for the more even distribution of capital and hence for globalization.

Marx argued that capital can take *different* forms. He suggested that capital is not unitary, nor does it expand 'naturally' through the alchemy of the market. Rather, as he explained in Volume 2 of *Capital*, its form depends upon the human relationships involved in its mobilization. Thus money and commodity capital are expressions of capital in circulation. Each, however, has its origins in productive capital, that which results from the direct exploitation of human labour. As Chris Harman's article "The State and Capitalism Today", in *International Socialism* 2:51, 1991, p. 9) insists, "The point is important – money-capital often seems to be the "pure" form of capital, the form in which the self-expansion of value is most vividly to be seen. But like the other forms of capital, it is in reality, as Marx put it, "not a thing but a relation", a relation which involves the exploitation of people at the point of production'.

Identification of different forms of capital does not mean that they exist wholly independently: the process of accumulation involves many changes from one form to another. Production, which is at the core of the capitalist economy, requires that money-capital is used to buy machinery, materials and labour; and production itself brings into being commodities, which are in turn exchanged for money. But money can be moved through the system far more quickly than capital in form of material objects – machines, production lines, transport systems, etc. This is especially important in the context of credit. Banks and finance houses have emerged through the efforts of capitalists to benefit from situations in which they have profit to invest – but not necessarily enough to invest immediately in productive projects such as new factories or machinery. They may therefore lend what they have in hand to other capitalists, usually through banks. When they need to mobilize large sums they apply to banks for loans. In effect, the loan is an advance to the capitalist on the expectation of later realization of surplus value through direct exploitation. It is in this context that speculation takes place, as capitalists gamble on anticipated profits, often using credit, and hoping to drive up prices in the process.

The distinction between forms of capital is of special significance in periods of slump. Faced with this prospect some capitalists may mobilize more of their resources in the form of money or commodity capital. This must be moved through financial networks based on banks, stock markets or commodity exchanges but does not require the relatively complex and stable sets of relationships associated with productive capital. Above all, it does not require the elaborate social and political systems within which accumulation of surplus value from human labour is accomplished. This helps to explain why a world economy which, at one level, is integrated by movements of money, becomes increasingly prone to destabilization. It also explains the glaring contradictions associated with general movements of capital: how at one level such movements may prompt integration but at another level may have the effect of intensifying unevenness within the world system.

Financial capital: Even orthodox economists have recently become alarmed by the disproportion between what they call the ‘paper’ economy – debt – and ‘fundamentals’ such as growth in output. Drucker warns, ‘Ninety percent or more of the transnational economy’s financial transactions do not serve what economists would call an economic function’ (quoted in A. Hoogvelt, *op. cit.*, p. 128) And Cerny (1993, p. 18) comments that ‘the financial economy calls the tune for the real economy’. The suggestion that capital is not unitary has implications for the whole notion that increased flows of finance have been fundamental to the making of a globalised world. Much of the money in the new networks is associated with the circulation of money itself. What Strange calls ‘casino capitalism’ amounts to a huge increase in debt, especially private debt, and in secondary speculation against it. According to UNCTAD, during the 1980s the ratio of the size of international bank lending to the size of the world’s total fixed investment (a measure of the ‘real’ economy) more than doubled. By 1992 world indebtedness exceeded even the total gross domestic product of the richest (OECD) countries. It is especially relevant when we consider the place of Third World economies within the wider system.

Movements of capital in the form of money and of commodities have increased greatly in volume and speed over the past 30 years. Axford (*op. cit.*, p. 107) sums up the approach of many theorists by depicting this development as ‘the most unequivocal indicator of the globalization of economic affairs’. In 1976 borrowing on international capital markets amounted to \$96.6 billion; by 1993 the figure had reached \$818.6 billion (Hirst and Thompson, *op. cit.*, p. 40). In addition, during the 1980s, markets in ‘derivatives’, speculation on interest rates and exchange rates, increased from a few hundred billion dollars annually to some \$8,500 billion (*Ibid.*, p. 41). By 1995 the daily volume of business on the world’s currency markets had reached \$1,500 billion – a figure which exceeded the annual gross domestic product of all but three of the world’s economies (see Shutt, *The Trouble with Capitalism*, quoted in *The Independent*, 30 June 1998).

Stopford and Strange (1991, pp. 40–41) describe the new environment in which these huge volumes of capital have become increasingly mobile:

“Instead of a system of national financial systems linked by a few operators buying and selling credit across the exchanges, we now have a global system, in which national markets, physically separate, function as if they were all in the same place. The balance has shifted from a financial structure which was predominantly state based with some transnational links, to a predominantly global system in which some residual local differences in markets, institutions and regulations persist as vestiges of a bygone age”.

The new system, it is argued, has been made possible by rapid advances in communications technology. The *Financial Times* has observed that, because of these, banking ‘is rapidly becoming indifferent to the constraints of time, place and currency’ (see Harvey, 1989, p. 161). Changes in means of data transfer are often viewed as the defining expression of financial globality – a world ‘wired’ for integration between its banking centres is depicted as one already unified. It is in this context that Waters (op. cit., p. 88) concludes, ‘Elimination of space has accomplished the conquest of time’. Such a notion of integration through financial flows has been a primary influence on theories of globalization. In a revealing remark, Cerny (op. cit., p. 18) suggests that today ‘the world order follows the financial order’.

These comments reflect the conviction of many globalization theorists that world integration is a product of the autonomous functioning of modern technologies. In a typical observation, Gray notes, ‘We are not the masters of the technologies that drive the global economy: they condition us in many ways we have not begun to understand’ (Gray, op. cit., p. 206). On this view, it is the power of digital systems that makes for integration of world finance. Such an approach offers no hint of why such means have been mobilized; in particular it ignores the initiatives taken by leading financial institutions to put new technologies to the service of profit.

In the 1970s many banks attempted to counter the problem of holding funds which were ‘idle’ due to recession in the West by

lending to Third World countries. This was an effort to counter one manifestation of a general problem – the systemic tendency of the rate of profit to decline. It ended in near disaster, as Mexico defaulted, prompting the IMF to step in and rescue its financial institutions (See P. Green, “Debt, the Banks and Latin America”, *International Socialism* 2:21,1983). Banks were compelled to look elsewhere for means of maximizing profit and there was a general turn towards ‘securitization’ – selling shares, options and other forms of marketable ‘paper’ (including government debt) on stock markets worldwide. As banks moved more fully into these activities they pressed into service the technologies of communication which were just becoming available: integrated systems of computers, telephone lines, TV, and satellite links which allowed almost instantaneous transfers of funds, quick speculative gambits and rapid profit taking. Callinicos comments of this ‘parasitism’ that it reflected the continuing low rate of return in manufacturing industry: ‘a consequence of the crisis of profitability which capitalism entered in the late 1960s and has still to escape’ (A. Callinicos, op. cit., p. 92).

The capacity to switch money at speed through global networks did not mean that the *relationships* mediated by money changed, however. Despite an appearance of ‘indifference’ to place, the mass of transactions were conducted within and between traditional financial centres such as New York, London and Tokyo. Even by the late 1980s over half of all ‘stateless’ currency – known as the Eurodollar – circulated within the US, principally among New York institutions that had dominated the money markets for decades (Waters, op. cit., p. 187). And although penetration of finance capital into the Third World is now much deeper than hitherto, today’s ‘emerging markets’ are often dominated by institutions which are direct descendants of banks and finance houses of the colonial era.

At the same time, large volumes of capital have been moved through new banking centres in the Third World, especially in East Asia and South East Asia, and globally organized speculative activities now affect profoundly many African, Asian and Latin American economies. Again, this is not an entirely novel

development: during the colonial era bankers played a leading role in advancing European economic penetration of the Third World. In the post-colonial period many independent states then introduced controls, providing some insulation from capital movements in the wider market. But these measures were in turn reversed during the drive for deregulation which from the 1980s exposed such countries to more powerful flows of finance and to voracious profit seeking.

By the 1990s many countries which had been closed to international speculative activities were appearing on 'emerging markets' listings. The 1994 *Emerging Markets Investor* magazine detailed 51 emerging capital markets in which securities could be traded; it also commented that 'many of the markets currently inaccessible can be expected to open up before long' (in *Emerging Markets Factbook*, London 1994). Within such markets all manner of institutions have been at work: in Egypt, for example, in 1995 only a handful of international financial operators were active; by 1997 some 714 foreign mutual funds had entered the local market, even though by world standards it traded a tiny volume of stocks (*Al Ahram Weekly* (Cairo), 23 April 1997).

Although external financial involvement in many countries may be modest on the world scale, it may be very significant in the local context. This becomes apparent as the level of exposure to financial flows is increased, especially when Third World countries open stock exchanges or other markets on which a range of securities can be sold. Transnational movements of finance do not operate through the evenly integrated 24 hour global marketplace depicted in globalization theory but through a series of interlinked networks – what management consultants McKinsey call 'distinct world markets for each type of instrument ... depending closely on the complex nature of the risks which determine the price of each instrument in different countries' (quoted in P. Cerny, op. cit., p. 68). Markets in countries as diverse and physically distant as Bangladesh, Columbia, Ghana, Kenya, Pakistan, Peru and Vietnam have been drawn into these networks of speculative activity focused on short term profit taking. The result has been greatly increased vulnerability to speculators who make finely calculated judgments

about each financial gambit, moving immense volumes of capital against local currencies and tradeable securities.

In 1997 the Malaysian *ringitt* and Thai *baht* dropped precipitately after evidence of local vulnerabilities produced huge outflows of money. Neighbouring states such as Vietnam and the Philippines, which were less exposed to the international markets but well integrated into the regional economy, also experienced steep falls in the value of their currencies and turmoil on their stock markets. There was a flood of money out of the region, mainly to secure 'home bases' in Europe, the US or Japan. In a similar development in 1991 Iraq's invasion of Kuwait prompted a mass movement of money from Gulf banking centres such as Bahrain to accounts in London and New York. Billions of dollars moved overnight (See P. Cerny, op. cit., p. 69). During the Thai and Malaysian 'meltdowns' of 1997 the *Financial Times* reported large redemptions of Asian funds in the US, adding that events in South East Asia would prove a source of underlying support for the US market 'as investors flee to quality'. Such rapid movement of capital to traditional financial centres within dominant nation states speaks eloquently of the latter's continuing weight within the world system (See the *Financial Times*, 30 August 1997).

Such is the fragility of many Third World currencies and local markets that specific local collapses can spread rapidly through financial networks, producing a 'contagion' effect. In August 1998 financial crisis in Russia prompted a collapse which the *Financial Times* said would cause developing markets in general to 'disappear into a black hole'—Third World currencies and stocks having become 'so much nuclear waste' (See Richard Waters in the *Financial Times*, of 29 August 1998). Domestic interest rates in Brazil promptly rose to almost 50 percent and over a period of two weeks the Brazilian government spent \$15 billion of its \$67 billion foreign exchange reserves propping up its currency, the real (See *The Observer*, 13 September 1998).

There can be no doubt that transnationalization of world finance has had a profound effect, most importantly in generalizing crisis. Thus events in South East Asia and Russia have not just weakened currencies in Latin America but through the 'domino

effect' they threaten to subvert whole financial systems. In August 1998 the *Financial Times* warned that 'Latin America is on the brink':

"The Asian crisis, having swept through Russia, is now engulfing the continent. Its biggest economy, Brazil, is fighting to avoid a currency collapse or a debt moratorium. If it is forced into either, the next biggest economies, Argentina and Russia, would well follow suit...the economic reforms that opened up [Latin America] to the world market after a violent and inflationary decade will be at risk and so could the 'Washington consensus', the idea that economic modernisation is best performed by liberalising goods and capital markets" (See *Financial Times*, 12 August 1998).

While predatory activity across the world has intensified, longer term involvement of major banks with the Third World has greatly diminished. Lending by international banks in Africa, Asia and Latin America rose very rapidly in the 1970s; within a decade, however, the debt crisis and increased general instability had all but brought it to an end. By 1989 lending to Africa, Asia and Latin America was just 11 percent of the global total. (See A. Hoogvelt, op. cit., p. 83). The earlier debts remained. Lending has been directed to a small number of countries, notably to those in East Asia dubbed the 'Dragon' economies, which were said to be following the example of the East Asian Tigers and transforming themselves into industrialized states organized on uninhibited free market principles. In the first half of 1998 alone, international banks lent \$32 billion to countries in Asia, overwhelmingly to those in East and South Asia which were already showing what the *Financial Times* (5 January 1998) called (with some understatement) 'signs of strain'. Speculative lending to Thailand, for example, had proved a key factor in precipitating a general economic collapse in 1997 (See C. Sparks, "The Eye of the Storm", *International Socialism* 2:78 (1998). Meanwhile, less favoured economies elsewhere have become more dependent upon government borrowing, and upon programs organized by the World Bank and the International Monetary Fund which continue to impose conditions in line with neo-liberal principles of deregulation, further emphasizing local vulnerabilities.

'Free trade': The level of world integration through trade is much less pronounced than in the area of finance. It is true that during the long boom world trade grew very rapidly but growth rates have since slowed. During the 1960s it accelerated rapidly, reaching an annual increase of 9 percent by 1973 (P. Hirst and G. Thompson, *op. cit.*, pp. 21–22). By the mid-1990s the rate of growth was unchanged over the level attained a decade earlier (A. Hoogvelt, *op. cit.*, p. 71). More important, trade is increasingly organized on a pattern at odds with the globalist notion of world integration.

In globalization theory, deregulation is identified as the main means of achieving a free trade network in which commodities flow across old protective regimes. But developments among the world's dominant economies are not towards an open market model but towards regional links and trade agreements. Judis comments of the North American Free Trade Agreement (Nafta) of 1992:

“Nafta is not really about global free trade. It does remove trade and investment barriers among the United States, Canada and Mexico, but it retains and erects (in the form of ‘rules of origin’) barriers between the three countries and the rest of the world”.

Appearances aside, Nafta is a prudent step towards creating a regional trading bloc that would withstand the devolution of Western Europe and Asia into rival blocs. The treaty's free trade proponents would never admit this, but Nafta's underlying thrust is toward managed trade and investment (See C. Kegley and E. Wittkopf, *World Politics*, New York 1995, p. 247).

The notion that formation of such blocs represents a genuine alliance of national capitals must also be questioned. In the case of Nafta, for example, regionalization has been driven most strongly by US producers' desire to gain direct access to the Mexican market. During the late 1980s US exports to Mexico rose rapidly: Kegley and Wittkopf assert that ‘Nafta was written to accelerate this growth’ (Ibid., p. 247). Similarly, consolidation of the European Union (EU) should be understood in the context of the relative strengths of national states in the region. As Milward has argued in *The European Rescue of the Nation State*. (1992), p. 134),

Europeanisation is intimately associated with the dynamics of the most powerful of the regional economies, that of Germany.

Rather than being integrated simply by trade flows, the global environment is also one of new blocs, each dominated by one or more of the major economic powers of North America, Europe and East Asia – what Sandholz calls ‘regional neo-mercantilism’ (See C. Kegley and E. Wittkopf, op. cit., p. 247). In the same vein *The Economist* challenges the idea of unstructured global interaction, commenting that ‘the big trend in the world economy is towards “regionalism” and the reassertion of regional geography’ (*The Economist*, 20 November 1993). Such blocs by definition exclude the mass of states of the Third World, viewed by the regional alliances as their arena for economic competition. The exceptions, such as Mexico in the Nafta group, are left weaker as their notional independence is diminished. Even conservative accounts of the world order confirm this development. As Philips and Tucker comment, ‘For the developing countries, the prospect of a world divided into separate regional centres is disconcerting. It leaves too many countries out of the system altogether, and even those it encompasses are left relatively weak as their bargaining power is divided’ (See C. Kegley and E. Wittkopf, op. cit., p. 265).

Third World countries now occupy a more marginal position in world trade. In 1962 the share of ‘industrial’ countries was 63.6 percent and of ‘non-industrial’ countries 24.1 percent. By 1990 the figures were 71.9 percent and 20 percent respectively (See A. Hoogvelt, op. cit., p. 73). These figures place the four Asian Tigers in the ‘non-industrial’ group. If the four, which together have a quarter of the ‘non-industrial’ world’s trade, are reallocated to the ‘industrial’ group, the figures reveal an even starker difference: 76.5 percent of world trade among ‘industrial’ countries and 16.5 percent of trade among the ‘non-industrial’ countries of the Third World. The picture is one of greatly increased asymmetry; notions of simple world integration once more seem implausible.

Productive capital and foreign direct investment: In the early 1970s, after 25 years of sustained growth through the ‘long boom’, international production seemed to be playing a new role in integrating the world economy. Exchange of manufactured goods

became the most dynamic sector of world trade; at the same time, the internationalization of manufacturing itself seemed to be breaking down barriers between national states. Harris noted, 'The great boom thus tended to wash away what hitherto had been seen as the clear national identification of production' (Harris, 1986, p. 58). Multinational companies (MNCs) were seen as the main agents of this process. Even by the early 1960s their combined sales were estimated at almost 20 percent of world output of goods and services and economists were beginning to depict a novel global development (Ibid., p. 59). In fact MNCs had existed since at least the 19th century and their mode of operation was not new. What was unexpected was the speed of their growth and the contrast this presented with the preceding period during which national states and state capital had dominated the world economy.

By the early 1990s the largest 300 MNCs accounted for 70 percent of foreign direct investment (FDI) and 25 percent of the world's capital (Waters, op. cit., p. 76). Most MNCs were engaged in extraction, processing or manufacture, the key sectors being petrochemicals, automobiles, consumer electronics, tyres, pharmaceuticals, tobacco and foodstuffs. They operated enterprises which required long term investment and demanded sophisticated local infrastructures. Most important, they employed tens of millions of workers in productive activities: that is, the exploitative relationships involved resulted directly in profit for the owners of capital. This places MNC activity in an altogether different category from other perceived globalizing activities, notably that of finance, where, as Hoogvelt comments, profits 'are based on *fictional* capital formation, namely on debt and exponential debt creation' (See A. Hoogvelt, op. cit.).

Even the repeated world recessions of the 1970s and 1980s, which deeply affected growth of trade, did not halt the process of restructuring. This can be seen in the rapid growth of FDI. Hirst and Thompson note that during the 1980s FDI grew almost four times faster than world merchandise trade, a development which these two writers – who are in general sceptical of the globalization thesis—see as 'a very basic change in the nature of the international economy' (See P. Hirst and G. Thompson, op. cit., p. 55).

Chris Harman(1996, p. 7) observed that much of the credibility of the 'globalization' orthodoxy depends upon perceptions of MNC activity: 'It enables the orthodoxy to paint a picture of capital flowing evenly across the face of the earth, ceaselessly shifting from one spot to another in search of lower wages and higher profits, with a tendency towards the sprinkling of production facilities uniformly across all five continents'. What is most striking about global investment, however, is that it too reveals a pattern of increasingly *uneven* development. On figures collected by Hoogvelt (op. cit., p. 77), until 1960 the Third World received about 50 percent of total world investment; by 1974 this had fallen to 25 percent; by 1988 it had fallen to 16.9 percent.

Thus during the colonial period, Africa, Asia and Latin America had been important target zones for investment; as the volume of total investment worldwide increased, these continents became less significant. FDI involves a much smaller proportion of investment. It grew significantly during the 1980s and especially in the 1990s, when the increase averaged 12 percent a year, almost double the increase in growth of total world exports (*Financial Times*, 1 October 1997). By 1996 some 37 percent of total FDI was going to developing countries (Ibid.) – a statistic that has led many globalizers to conclude that FDI is widely dispersed. In fact, such capital entered only a handful of economies. The World Bank recently confirmed that between 1990 and 1995 just nine of the 147 'developing' countries received 90 percent of all such flows, the most favoured being China, Singapore, Malaysia, Thailand and Brazil(See World Bank, *Global Economic Prospects and the Developing Countries*. Oxford 1997).

Figure 4: Ten Top Developing Countries For Inflow of FDI 1981–1992 (US\$ MILLION)

	1981	1986	1989	1992
China	—	1,875	3,393	11,156
Singapore	1,660	1,710	2,773	5,635
Mexico	2,835	1,523	3,037	5,366
Malaysia	1,265	489	1,668	4,469
Brazil	2,520	—	1,267	1,454
Hong Kong	1,088	996	1,076	1,918
Argentina	837	574	—	4,179
Thailand	—	—	1,775	2,116
Egypt	753	1,217	1,250	—
Taiwan	—	326	1,604	—

Percentage share of ten top countries in total inflows to developing countries:

81	70	72	76
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[Source: UNCTAD]

Hirst and Thompson, (op. cit., p. 68) have correlated FDI with world population structure. They estimate that, even when major population centres such as coastal China are included in the recipient category, countries containing just 28 percent of the world's population receive 91.5 percent of the FDI. They comment, 'In other words nearly two thirds of the world is virtually written off the map as far as any benefits from this form of investment are concerned'(Ibid.).

This asymmetric pattern is consistent with the regionalization of FDI within economies of the West. Ruigrok and van Tulder (1995, p.156) show that almost all MNCs invest more in one country than in any other: that in effect they operate from a clearly established 'home base' or within a distinct region close to the national point of

origin. This is also consistent with patterns of world trade which show regional networks and the consolidation of trading blocs. Kiely.(1998,p.102) concludes that ‘evidence points to the maintenance, and indeed the *intensification* of uneven development in the global economy’.

Home base: In a recent critique of globalization theory, Chris Harman(op. cit., p. 14) comments, ‘It is very easy for firms which trade internationally to move money internationally. But moving money is not the same thing as moving productive capital.’ He goes on:

‘Productive capital is made up of factories and machinery, mines, docks, offices and so on. These take years to build up and cannot be simply picked up and carted away ... Productive capital simply cannot be footloose’.

Kiely (op. cit., p. 105) makes a similar point, that ‘capital faces a number of sunk costs, which constitute significant barriers to exit’. He quotes Wade: ‘ [Such costs] include initial start-up costs, the costs of learning over time about a particular environment, and the costs of building, reputation, gaining acceptance among government, employees and other firms regarding their reliability as producers, employers, and suppliers in each market (Ibid.).

Labour costs are only one factor in decisions about location made by MNCs. Corporate managers routinely summon up the idea of a globalised labour market in which their workforce must be prepared to accept the discipline imposed by market conditions. But the idea of global portability of jobs is false. The most that can be said is that in some labour intensive industries such as clothing, textiles and electronic assembly, fixed costs are lower than in most other sectors and capital is somewhat more mobile. Korzeniewicz (1994), p. 259) has shown, by analysing the activities of footwear manufacturer Nike in East Asia, that companies must balance the gain in lower wages against a host of other factors. He comments, ‘The advantages of lower labour costs in the developing manufacturing areas [have] to be weighed against disadvantages in production flexibility, quality, raw material sourcing and transportation’. In many cases, relatively high wage locations prove more desirable.

These considerations do not mean that companies remain wholly within the national state of origin. But even in the late 1990s relatively few have moved outside their *regional* bases, where they can rely on well-established industrial links and infrastructures. Ruigrok and van Tulder (op. cit., p. 164) conclude that, under these circumstances, ‘neither individual firms nor states but industrial complexes constitute the centre of gravity of the international restructuring race’. Three such complexes dominate the world economy: North America, Europe and Japan. The rest of the world contributes only 19 percent of the sum of manufacturing exports and of this total two thirds comes from the Tiger economies, plus coastal China (See A. Hoogvelt, op. cit., p. 140). There is no sign elsewhere of the development of major industrial complexes which might relocate productive capital on a substantial scale. It is on this basis that Ruigrok and van Tulder (op. cit., p. 151) argue that what is usually called ‘globalisation’ would be better described as ‘triadisation’.

In this context structures congenial to long term investment of capital are of immense importance. When MNCs do invest outside regions of origin the character of the local state is a critical factor and nation states perceived as stable, with well-integrated infrastructures and mechanisms of social and political control, are highly favoured. As Kiely (op. cit., p. 104) observes, the pattern of FDI worldwide takes place ‘because of, and not despite the state’. There is a corollary: those states without attributes deemed necessary by MNCs are treated with suspicion and few Third World states are considered for serious long term investment. Capitalism is not using the Third World in general as a site for intensified exploitation, it is marginalizing it.

Globalization and development

The dominant idea of contemporary bourgeois thinking is that increasing international integration of economic activity, or “globalization” will lead to prosperity and peace for all. But globalization is not a concept that helps us understand the world around us. It is an ideological construct used to trumpet capitalist

victory – to conceal the crisis-ridden nature of the system and its perpetual failure to meet the needs of the world's working class. Contrary to popular usage by the media and various political and economic commentators, 'Globalization' is not an objective or neutral term which simply describes the contemporary world economy.

In many ways it is the 'big idea' of modern apologists of capitalism. After the collapse of the Soviet Union we are being encouraged to believe that capitalism has won. And if capitalism won, then that must be because of its own inherent superiority as an economic system. It's now the only game in town. So goodbye Soviet Union means goodbye to a viable socialist alternative.

Globalization is closely linked to the ideology of neo-liberalism. The two concepts share a sort of division of labour. While globalization asserts the inevitable victory of market forces over everything that stands in their way, neo-liberalism tells us this is all to the good of mankind.

NICs – road closed: Globalization theory is summarily not a description of a much changed world. Rather it is the imposition of neo-liberal economic principles upon the reality of an unequal and disordered system: the world as contemporary bourgeois theory wishes it to be. It is certainly true that the internationalization of capital has accelerated over the past 30 years. But within this process two developments have taken the system in a direction different from that envisaged by the globalizers. First, a key response to the fall in the rate of profit has been increased speculative activity and a huge growth in financial markets. This has not complemented the growth of productive capital at a global level but has diverted investible funds from it, making less likely the emergence of new centres of capital accumulation.

A second development involves decisions taken by MNCs to develop manufacturing on a regional, rather than a 'global' basis. Emergence of the 'triad' of investment zones has concentrated more and more of productive capital among networks of advanced economies. These networks are connected to Third World economies but are not active agents of the latter's development; on the contrary, their consolidation is a vote of 'no confidence' in the

Third World. Declining rates of productive investment have left most such economies weak and vulnerable to the currents, eddies and tidal waves created by global speculators. The two tendencies have a combined effect of greatly increasing the development 'gap' between the 'triad' and the NICs, and 'the rest'. They intensify the unevenness of the world system, relegating to the also-rans even those states in which there were once hopes of modest advance.

These changes mean that the vision of advance towards NIC status is an illusion. In the mid-1980s Nigel Harris argued that the experience of the NICs would become *more* general. The dispersal of capital worldwide would certainly involve more and more economies, he argued: 'Once the internationalized core was created, the effects spread outwards, involving increased numbers of less developed countries, so that there are new newly industrializing countries – it is a continuing process. It seems inconceivable that the general trend could now be reversed' (op. cit., p. 104).

But the trend *has* been reversed. What now seems inconceivable is that even among the more stable countries of Africa, Asia and Latin America there might emerge states able to follow the paths of Korea or Taiwan, which over a generation from the 1940s changed radically, becoming substantial (if junior) industrial capitalisms. Callinicos's criticisms of Harris in this journal in 1987 have proved substantially correct. Emergence of new NICs, Callinicos, (op. cit., p. 93) suggested, would 'depend heavily upon international conditions reflecting largely the state of the advanced economies' and would be 'limited by the ways in which Western capitalists, still the dominant force in the system, respond to the fall in the world rate of profit.'

In effect, capitalism has closed the NIC option for the foreseeable future. Its ideologues nonetheless maintain a double fiction: that industrialization *can* be achieved and that the appropriate strategy is based upon a specific model of the free market NIC. As recently as 1997, one leading US bank published lists of Tigers, Near-Tigers and Tiger Cubs, encouraging Third World governments to believe that they could join the developing elite (See Report from American Express Bank, *The Independent*, 28 February 1998). Many ruling classes remain susceptible to the vision

of progress within a 'globalised' world, in which pursuit of free market policies on the Tiger model will bring developmental rewards. In fact, from the 1940s, regimes in the East Asian NICs had followed a state capitalist path to industrialization and represent specific and probably unrepeatable cases of rapid capital accumulation in the Third World. As Harris (op. cit., p. 30) argued, 'Before the four existed, it had been necessary to invent them in order to justify [neo-liberal theories]; and after they expanded, not a little invention went into rendering the facts of their performance consistent with the postulates of the free market'.

Especially misleading is the notion that in cases of the most rapid advance, notably Korea, the local state withdrew from direct intervention in economic affairs. On the contrary, the state was (and remains) central: as one account of Korea notes, 'No state outside the Socialist bloc came anywhere near this measure of control over the state's investible resources' (See Datta-Chaudhuri, quoted in T Hewitt, *Industrialization and Development* (Oxford 1992), p. 187). The fiction of Korean development has nonetheless been incorporated into theories of globalization to make an apparently seamless argument for free market strategy. Institutions such as the World Bank and the IMF continue to embellish the myth while using control over funds to induce Third World governments to move away from protectionism, state ownership and market controls.

Such 'liberalisation' was pioneered in the mid-1970s by the Sadat regime in Egypt through its *infitah* ('opening') policy. The regime immediately enriched itself and its supporters through commission agencies, import-export scams, and speculation in property and finance. Within a few years a 'Sadat class' of *nouveaux riches* had been accommodated by the ruling senior bureaucrats and army officers of the earlier nationalist period. Hinnebusch (1985, pp. 69–70) describes the outcome:

'The new prosperity widened and solidified the regime's support among those who got the lion's share of the benefits, the bourgeoisie. Revitalisation of the private sector created powerful interests with a stake in the regime. Contractors, real estate speculators, and merchants flourished on the economic boom;

importers, partners and agents of foreign firms, tourist operators, lawyers and middle men who helped investors against bureaucratic tangles, thrived on the cuts they took from resource inflow ... On the other hand, the lower middle and lower classes bore the main costs of *infitah* while reaping the fewest benefits ... The explosion of conspicuous consumption at the top fed a growing perception that class gaps were widening, the rich getting rich and the poor poorer.'

Twenty five years after the initiation of *infitah* President Mubarak still talks of creating a 'Tiger on the Nile' but sustained industrial growth on the NIC model remains a distant prospect. The story has been repeated in scores of states worldwide, as regimes with roots in an earlier era of state-led development have embraced neo-liberalism and launched the inevitable attacks upon living standards, social welfare and upon workers' and peasants' rights.

The African crisis: In many poor countries the aim of development policy has been less ambitious – simply to halt economic decline. In 1991 the UN secretary general commented that Africa was heading for 'an unrelenting crisis of tragic proportions' Sandbrooke, . (1993, p. 5). But for African states the solution has been the same as for aspiring industrializers – the implementation of 'adjustment' programs which aim to create conditions congenial to private capital accumulation (Ibid., ch 3). The outcome has been to intensify crisis: in agricultural production, industrial output, increased deforestation and desertification, rising food imports, declining terms of trade and capital flight. Sandbrook comments, 'If it were not for the unenumerated and unregulated informal or parallel economy, life [for the masses] would be more even desperate (Ibid.,p.8)'.

The more compliant have been local regimes, the more seriously they have been affected. In 1990 Zimbabwe was ranked as a 'middle income' country by the World Bank, above Indonesia, the Philippines and other states aspiring to rapid advance (See World Bank, *World Development Report 1990*. New York 1990, p. 178). With mineral wealth and a relatively sophisticated agricultural sector it was expected to progress much faster than other African countries. While opposing IMF 'adjustment' programs rhetorically, the

Mugabe regime had implemented them, fulfilling requirements for aid and development assistance. But during the mid-1990s world prices for Zimbabwe's main exports, tobacco and gold, fell sharply and investors began to withdraw. In November 1997 there was a run on the local currency and a collapse in the Harare stock market. Food prices soared and were given a further upward push when, under pressure from the World Bank and IMF, the Zimbabwean regime increased the cost of the main staple, maize, by 24 percent (*The Guardian*, 6 May 1998). Following strikes and demonstrations against the increases there was a further collapse as the Zimbabwean dollar—formerly regarded as one of the best speculative investments in Africa – halved in value against the US dollar. One report commented that in a few months the country had gone from being one of Africa's top performers—'about to achieve sustained growth and prosperity' – to 'economic disaster' (Ibid.).

Zimbabwe suffers from the increased vulnerability which affects all economies 'opened' to the world system. As a corollary, states which have been somewhat less compliant with the IMF, or less effective in 'opening', have been punished less heavily. After the collapse of world markets in September 1998 one investment manager in London commented, 'As liquidity has drained out of the emerging markets, countries with relatively little foreign participation and generally illiquid markets have suffered the least ... minor markets ... seem to be unaffected by turmoil elsewhere' (See *Investment Week*, 21 September 1998). While countries such as Somalia, Liberia, Sierra Leone, Sudan, Haiti and Afghanistan are dismissed as 'basket cases' and written out of the development script, others are penalized for having played their allocated role.

At the same time, these very vulnerable countries are being revisited by the problem of debt. This has often been viewed as a problem of the 1970s and early 1980s which receded when commercial banks reduced lending. But everywhere except Latin America (scene of the earlier debt crisis) debts to Western governments and multilateral creditors have continued to mount. By the late 1980s the volume of debt was increasing massively: in 1990 the total stock of debt owed by developing countries was \$1.4

trillion; by 1997 it was \$2.17 trillion (See *The Guardian*, 11 May 1998). In Africa by 1997 debt stood at \$370 for every person in the continent and dwarfed the annual production of many states (Ibid.).

In 1994 Mozambique's debt amounted to 450 percent of its GNP, that of Congo was 454 percent of GNP, and of the Ivory Coast 339 percent of GNP (See World Bank, *World Development Report* 1996. New York 1996). Scores of countries were similarly entrapped. Despite the increase in FDI to some developing economies, Western banks and governments now receive more in interest on debt from the Third World than the MNCs extract in profit – a reversal of the situation in the 1970s (See ICEM, *Power and Counter power: The Union Response to Global Capital* (London 1996), p. 40). In 1998 Third World countries paid Western creditors \$717 million in debt service every day (*The Guardian*, 11 May 1998).

Figure 5: African Debt 1994 – Selected States

	Total debt (US\$ billion)	Debt as % of GNP
Congo	5.3	454
Mozambique	5.5	450
Guinea-Bissau	0.8	340
Ivory Coast	18.5	339
Angola	11.2	275
Dem Rep of Congo	12.3	232
Tanzania	7.4	230
Madagascar	4.1	225
Zambia	6.6	204
Sierra Leone	1.4	187
Malawi	2.0	160
Togo	1.5	157

[Source: World Bank, **World Development Report 1996**]

Figure 6: Profit and Interest: Outflows From the Third World (US\$ BILLION)

	1970	1980	1990	1994
<i>Interest</i>	2.4	35.1	59.4	64.5
<i>Profit</i>	6.5	24.0	17.8	25.4

[Source: World Bank]

With commodity prices falling, and the trade liberalisation of the Uruguay Round of negotiations on tariffs further penalising Third World economies, such countries might have expected relaxation of payment conditions. But in 1998 the US stalled on its Highly Indebted Poor Countries initiative (HIPC). Countries such as Tanzania, which was told to wait until 2002 to qualify for promised ‘debt relief’ under HIPC, face crushing burdens. According to one aid agency, the country’s debt is rising so rapidly that development projects are hardly feasible. A Christian Aid official illustrates a problem which is causing anxiety to even the most conservative aid bodies: rigorous enforcement of repayments by the World Bank for borrowing on projects which the institution designed and which could never have achieved its own target results. According to Andrew Simms, ‘Tanzania is paying for the World Bank’s own mistakes. The money is simply going round in circles.’ He adds:

There’s one project in Tanzania for which we borrowed about \$9 million. In 1979, that was equal to about 149 million [Tanzanian] shillings. So far we have repaid about \$900,000 but that is now equivalent to 590 million shillings. In local currency terms we have already repaid the debt several times. But it just goes up and up (See A. Simms of Christian Aid, reported in *The Guardian*, 8 October 1998).

What seems incomprehensible to aid officials is that Tanzania has implemented IMF adjustment programmes, as instructed, since the mid-1980s. Among its ‘liberalisation’ measures, the government

has repeatedly devalued the local currency, so that by 1998 the shilling was at 1,500 percent less than its international value in 1985. The government now spends \$8 for every Tanzanian to service its external debt while it spends just \$3 annually per person on health (Ibid.). More than 50 percent of the population lives below the poverty line.

These stark problems have not prevented US strategists restating the global master plan in blunt terms. In 1997 the State Department sent a senior trade official to tell an African summit meeting: 'The core premises of our plan are that those nations willing and able to pursue the most aggressive growth oriented economic policies – principally by opening their economies to the world marketplace – are the ones most likely to be the engines of growth on the continent' (C. Barshefsky, quoted Ibid).

Global inequality

Global capitalist commentators will argue that this stuff about the economic importance of the state is all old hat. The era of globalisation (usually dating from the 1970s) has seen a withdrawal of the state from capitalist economy. The ideology of neo-liberalism, which became dominant about the same time, advocates privatisation and a return to nineteenth century *laissez-faire*. The rule of naked force in international relations, we are told, has been replaced by the rule of law through multilateral institutions – the World Bank, the International Monetary Fund and the World Trade Organisation.

On the contrary. if wretched “third world” governments have been forced to privatize their utilities (giving ownership up to imperialist firms) and to cut down tariff barriers (opening home markets to advanced country products and impoverishing local producers), that is not through ‘choice’. The irony is that the withdrawal of the state from economic intervention in poor countries has been achieved through the naked economic power of the imperialist countries, buttressed by the threat of armed force. This transformation is a triumph of state power, not its negation. The multilateral institutions in turn propose a world governance of

rules all right – rules that are formulated precisely in order to disarm poor countries and strip away their defence against imperialist exploitation. Nor has the withdrawal of the state from economic ‘interference’ been an unqualified success. The period since the Second World War can be divided into two parts. As mentioned before, the period from 1950 to the first global recession in 1973 can be regarded as a Golden Age for capitalism. Yet it was an era where the state intervened extensively in economic life.

End of the ‘Third World’? The notion of a ‘Third World’ has never been closely defined. As deployed by radical nationalists in the 1950s it was meant to indicate a state directed development path independent of Western capitalism and of Eastern state capitalism.

This forced privatization homogenized a vast range of countries; it also concealed class relations within them and the common interests between their rulers and those of the ‘First’ and ‘Second’ worlds. As such it obscured the workings of capitalism. Since the 1970s the main use of the term has been as a shorthand to indicate the gulf between a minority of rich countries and the majority of poor countries of Africa, Asia and Latin America. As an expression of contemporary world inequalities it may then be more significant than hitherto – for such inequalities have become far more pronounced. In addition, it is a useful corrective to globalist babble with its imagined universe of happy consumers.

In globalization theory the notion of a Third World is rendered meaningless, for the inequalities it implies are said to be disappearing beneath worldwide capital flows. This is Nigel Harris’s position in *The End of the Third World*, published in 1986, in which he argued that a strong tendency to distribution of manufacturing across the globe was transforming relations between rich and poor countries. But neither the notion of a globalised world, nor that of a system divided between First and Third worlds (or North and South) are appropriate ways of depicting world capitalism. The system is best seen as a series of unevenly developed economic and political structures, including nation states and regions, within which capital is mobilized in the constant search for profit.

This system is structured by class. It is true that national economies stand in a hierarchy, with Western capitalist states at the

head and a long tail of Third World countries. But this structure depends upon the maintenance of class relations which cross-cut the hierarchy, tying minorities of the wealthy and powerful in Africa, Asia and Latin America to the centres of world power. The emergence of the NICs in the 1950s and 1960s represented the efforts of capital in a handful of countries to exploit local working classes with enough success to consolidate a stronger position *vis à vis* other capitals and in effect to climb the hierarchy. The ruling class of South Korea, for example, only accomplished this under uniquely favourable circumstances and as *part* of the system of world exploitation. In doing so, it both co-operated closely with the centres of power *and* developed its own distinct interests at the expense of the Korean working class.

The increased internationalization of capital has made for closer relationships between the subordinate ruling classes of Africa, Asia and Latin America, and the centres of world power. The former have largely abandoned state led development policies in favour of neo-liberal formulas drawn up in Washington, Tokyo and London, which they believe to be beneficial to their interests. But as the outcome of such policies becomes clearer, problems which have always attended co-operation among capitalists (Marx's 'band of warring brothers') have started to re-emerge. These have affected the new trading blocs, global agreements, and local economies and states. There have been a number of preliminary tremors: the US has been unable to drive through its World Trade Agreement; the US and the EU have fallen out over tariffs; and Middle Eastern states promised a new trade deal with the EU have begun to complain bitterly about broken promises.

In August 1998 the *Financial Times* (29 August 1998) warned of a 'severe protectionist backlash' in the US which could intensify as businesses dived for cover under the protection of the national state. But the real shock has come with repeated currency meltdowns and generalised crisis in South East Asia. This has brought the whole economic orthodoxy into question. Former free market fanatic Mahathir Mohamad of Malaysia has blamed 'foreign capital' and 'speculators' for his difficulties and attempted a move towards autarkic local solutions by banning sales of the ringgit and

organizing state buyouts of non-performing loans and assets of banks – heresies among his one-time friends of the neo-liberal establishment. US financier George Soros – a totemic figure for ideologues of globalization – has attacked Mahathir as ‘a menace to his own country’ (*Financial Times*, 23 September 1997).

Soros is also in a state of panic, however. To the surprise of the neo-liberals, he has been a leading figure in calling for new structures for supervision of the global market: in effect, he wishes for a global state which will guarantee his own worldwide search for speculative gain. Increasingly perplexed by the instabilities of the world system, he has become a new prophet of global doom, suggesting, ‘The collapse of the global marketplace would be a traumatic event with unimaginable consequences. Yet I find it easier to imagine than continuation of the present regime’ (quoted in J. Gray, op. cit., p. 1). Leading US economist Paul Krugman has argued that only extensive capital controls can rescue the Asian economies and that urgent action is needed. These formulas are viewed with alarm by fundamentalist neo-liberals. For *The Economist* they constitute ‘a worrying backlash against free markets’ (5 September 1998). Third World countries must go on bending to ‘market discipline’, argues the magazine – only then will they be rewarded with prosperity ‘for decades to come’ (Ibid.). Increasingly, speculators, industrialists, governments and economic journalists have turned on one another. As one US economist observed, ‘The International Monetary Fund blames the national governments, the national governments blame the outsiders, and the populations blame some combination of the two’ (*Financial Times*, 23 June 1998).

Crisis and conflict: World crisis has intensified conflict at every level of the system. While governments and global institutions attempt to allocate blame, much more costly conflict takes place within and between national states, especially in the Third World. This often has its roots in divisions built into the colonial state by occupying powers, a problem exacerbated by liberalization policy and by deepening systemic crisis. Regimes under pressure from below may fragment and contending factions attempt to mobilize support on a regional, religious or ethnic basis. The state may implode and basic infrastructure for supply of food or of healthcare

may break up, causing vast numbers of people to flee, creating what Zolberg has called 'the exit from the state' (See E. Zolberg, A. Suhrke and S. Aguay, *Escape from Violence, the Refugee Crisis in the Developing World* (New York 1989), p. 44). Just such a situation occurred in the Horn of Africa in the early 1990s and in West Africa in the mid-1990s, when millions of people in Liberia and Sierra Leone were displaced. Under these circumstances external powers may attempt to intervene, as in Somalia, which the US invaded in an unsuccessful attempt to re-establish centralized authority – an interesting example of reassertion of structures of the nation state in a 'globalised' era.

Even in less marginal regions economic crisis may produce sudden mass population movements. One response of regimes in South East Asia to the 'meltdown' of 1997 was to target migrant labour. At least 2.5 million workers in Thailand and Malaysia, and 270,000 in South Korea, were identified as a threat to national security. Some were incarcerated and many were deported, especially to Indonesia, Burma and Bangladesh (*The Guardian*, 7 January 1998). Attempts by regimes to mobilise national sentiments can also spiral into sudden regional conflicts. Just such a scenario emerged in mid-1998 in the Horn of Africa, where Eritrea and Ethiopia began an armed conflict, ostensibly over territory but which could only be understood in the context of impacts of world crisis upon two very weak economies in which rulers were ready to mobilize all means to ensure their survival.

Struggles from below: The desire within the capitalist class for more solid political structures within the global system is intimately linked to immense pressures from below. Since the deepening of world crisis in the 1970s every region of the Third World has seen the emergence of mass movements which have challenged local regimes and regional power structures. These have often taken the form of protests against IMF adjustment programs. In 1974 the Egyptian regime was first to declare for liberalization, launching Sadat's *infitah*. It was immediately confronted by widespread opposition and for three years Egyptian society was in turmoil as workers, peasants and the poor engaged in all manner of protests against reduced subsidies on food and fuel, rising prices and rents,

and increased political repression. Workers were especially prominent, launching the biggest strike wave since the independence struggles of the late 1940s. In January 1977, following further IMF-inspired cuts, there was a massive upheaval which combined nationwide strikes with demonstrations, riots and prolonged battles with the police and the army. In Cairo, wrote journalist David Hirst, a vast sea of humanity bore down upon the presidential palace:

‘The thwarted multitude became ... a raging torrent, an uncontrollable force which ... unleashed all their pent-up fury on targets which, for them, symbolized the yawning gap between the haves and the have-nots, the frivolity and corruption of the ruling class, the incompetence and blind insensitivity of the administration... It was a despairing protest against the unspeakable conditions in which they had to earn their daily bread’ (D. Hirst and I. Beeson, *Sadat* (London 1981), pp. 242–243).

Tanks and artillery were mobilized against the movement but it required withdrawal of the price increases – what Hirst describes as an ‘ignominious climb down’ – to save the regime. During the 1980s similar protests against IMF programs affected states across the Middle East: Morocco, Tunisia, Jordan, Lebanon – and Algeria, where in 1988 a prolonged mass movement brought the regime to the brink of collapse. By the early 1990s such events were so widespread that media routinely referred to the ‘IMF riot’. But throughout this period partisans of globalization, with their visions of social harmony induced by the market, preferred to ignore the whole phenomenon of mass action. Meanwhile the Iranian Revolution of 1978–1979 – a testimony to the impacts of uneven development and authoritarian rule which mobilized millions of people (and caused deep anxiety among Western states) – was explained away as a manifestation of Islamic perversity.

During the 1990s the pace of struggle has intensified, with an unprecedented wave of protests across Africa, notably in Zambia, Malawi, Nigeria, Kenya and Zimbabwe. These have often been

linked specifically to IMF inspired adjustment programs and their outcomes. In South East Asia the Tiger Cubs have been in turmoil. Suharto, viewed in the West as a model liberalizer, has been brought down by a movement of immense power. In Malaysia the masses have rediscovered a voice after years of repression by the Mahathir regime. The Tigers themselves are in deep crisis: in a recent analysis in the *Financial Times*, (23 June 1998), investors were warned that South Korea had strong trade unions capable of mounting mass resistance to rising unemployment and that President Kim Dae-jung might be removed. Everywhere, rulers fear not only the 'contagion' of economic collapse but the spread of collective struggle – a 'domino effect' in which resistance is generalized across states and even continents.

Rulers of the dominant world states also face the reality of crisis and of widening inequalities at home. In its 1998 report the UNDP noted for the first time that vast numbers of people in Western countries are in poverty.

In developed countries, it noted, more than 37 million people are unemployed, 100 million people are homeless, and 100 million are below the poverty line. Unevenness within such countries is also becoming more pronounced. One US government official has admitted, 'A child born in New York in the 1990s is less likely to live to the age of five than a child in Shanghai. A child born in Bangladesh has better life expectancy than a child born in Harlem.' He warned of the consequences if such problems were not tackled (L. Summers, US Deputy Treasury Secretary, quoted in *The Independent*, 10 February 1998).

Although analysis of recent trends reveals that the spread of manufacturing industry outside the 'triad' networks has been exaggerated, the number of workers worldwide continues to grow. In 1980 in the Third World and former Eastern Bloc countries combined there were 285 million industrial workers (excluding those in the informal sector); by 1994 there were 407 million such workers (Moody, (1997, p. 186). The working class is not only more numerous but is in general better organized. This is most obvious in some of the newer NICs, where unions have grown with remarkable speed and, especially in South Korea and Taiwan, have

proved a potent political force. In countries such as Brazil, India, Turkey and Egypt the working class is especially resilient: in the latter the latest wave of denationalization measures has foundered on workers' refusal to accept erosion of benefits first granted in the 1950s. And in Africa the protests of the 1990s have been notable for the high level of engagement by organized workers, especially in South Africa, Kenya and Zimbabwe.

Millions of such workers and their families live under conditions which express precisely the character of combined and uneven development. As a leading Brazilian trade unionist has explained, 'Who lives in *favelas* [shanty-towns] today is the worker of the most sophisticated industries of the country, the worker at Volkswagen, of Philips, of Villares, Mercedes etc.' (Ibid., p. 209). Many such workers also retain ties to the land. In 1997 the Egyptian government attempted to dismantle the Nasserist land reforms of the 1950s. This 'liberalization' of the rural economy, much favoured by the IMF, has implications for millions of peasant families and soon provoked a response as police enforcing eviction orders on tenant farmers were confronted by mass protests. There were also demonstrations in major industrial centres, notably in the Nile Delta city of Mehalla al-Kubra, where tens of thousands of textile workers whose families in neighbouring villages had a vital stake in the land, joined the protests. Alarmed by the prospect of rural resistance combined with mass strikes at the heart of the country's biggest industry, the regime quickly modified its plans.

Mainstream globalization theory denies such human agency. If human beings feature at all in the globalist account it is passively, as consumers. A similar position is adopted in accounts by revisionists who wish to salvage the global paradigm, suggesting that at best it might be possible to restrain global forces. For pessimists such as Gray (op. cit., p. 207) we are on the brink of a 'tragic epoch' in which the forces of anarchy threaten humanity and in which we must turn to the works of Hobbes and Malthus for explanations of our predicament. We would do better to turn to Marx, whose understanding of the dynamics of capitalism both anticipated world crisis and offered a means to supersede its barbarism. Trotsky, too, saw the character of a growing world system and the emergence of

a political collective capable of changing it. In 1905, explaining the emergence of societies such as Russia, marked by the process of combined and uneven development, he argued:

Binding all countries together with its mode of production and its commerce, capitalism has converted the whole world into a single economic and political organism. Just as modern credit binds thousands of undertakings by invisible ties and gives to capital an incredible mobility which prevents many small bankruptcies but at the same time is the cause of the unprecedented sweep of general economic crisis, so the whole economic and political effort of capital, its world trade, its system of monstrous state debts, and the political groupings of nations which draw all the forces of reaction into a kind of worldwide joint-stock company, has not only resisted all individual political crises, but also prepared the basis for a social crisis of unheard of dimensions (See L. Trotsky, *op. cit.*, pp. 107–108).

This crisis, Trotsky argued, had an international character, in which local struggles necessarily had a wider impact. Revolutionary upheaval in Russia, he insisted, must place on the agenda the question of world change. A dozen years later the October Revolution had just this effect. Almost 100 years later, with a vastly more developed global economy, the crisis of capitalism is deep and systemic, the class capable of bringing change is larger, more widely spread and showing every sign of increased combativity. It remains, in Trotsky's words, 'the initiator of the liquidation of world capitalism' (*Ibid.*).

In conclusion, globalization is a term which conjures up a world of mutual, and mutually beneficial, dependence, conforming to the vision of Adam Smith, who wished every country to be in a position where it could concentrate on what it was good at, trading with other nations to acquire those things which it found difficult or impossible to trade for itself. Smith would hardly have recognized any fulfilment of this benign vision in modern trade patterns, nor indeed would he have approved the essentially mercantilist imperialism of the TNCs and those politicians and institutions which serve their interests. What stops globalization from being a Smithian project is quite simply that, whilst economic

activity taken as a whole may be more internationalized than in the past, profits do not remain in the countries in which they are made, but flow north and west, a direction ensured by the continuing imbalance of power which underlies international relations and undermines any possibility of the sort of peacefully trading world which Smith believed could be built. Under these circumstances the new global division of labour represents not a liberation of the Third World from the limitations of primary production but, on the contrary, a predictable development of the rich countries exploitation of the poor.

If globalization were more than these false claims, then we would expect to see a diversification of centres of wealth. Yet, as the authors show, US-based TNCs continue to strengthen their grip on global economic activity, with 70% of top firms based in the United States. Third World countries account for only 26 of the top 500, and increasingly the vital infrastructure of poorer nations is furnished by US corporations. Dependence on foreign finance makes poorer countries peculiarly vulnerable to the vagaries of a world economy run as if it were a giant casino, as we have seen very recently in Argentina and earlier in Ecuador, Mexico, and numerous far eastern nations.

The globalizers' arguments are often based on an admission that not all is rosy in the garden, that the process has losers as well as winners. This, however, tends to be explained away by short term difficulties and by claiming that, overall, the world is far better off. This utilitarian optimism is difficult to sustain. United Nations figures show that since 1980 the gap between richest and poorest has grown hugely: the richest fifth of the world's population is now 17 times as wealthy as the poorest fifth. In 1980, the comparable multiple, scandalous enough, was 11. Of course, overall wealth has increased greatly in those two decades, but in sub-Saharan Africa and numerous individual countries elsewhere, real per capita incomes have fallen too.

As well as demonstrably false claims that globalization is delivering the goods of poverty alleviation, supporters argue that it is leading to a spread of democracy. At first sight, this may seem more plausible, as the last two decades have seen a move away from

openly dictatorial regimes and direct military rule towards civilian governments operating within a formal liberal democratic framework. “Good governance”, which is assumed to involve such an institutional and constitutional set-up, has even been made a condition of loans and aid from international financial institutions and rich nations.

At the same time, however, not only has the West proved too ready to accept paper guarantees of ‘democracy’ as if they were the real thing, but the economic processes of globalization, presided over by unaccountable international institutions, have seriously undermined the capacity of individual nation states to take their own decisions. This has the most damaging effects on the poorest countries, but the undermining of democracy is not confined to the Third World: NAFTA has locked Canadian citizens into a macro-economic framework which they can do little to change, whilst the introduction of a single currency under Maastricht Treaty rules has all-but eliminated parliamentary influence on core economic decision-making, even preventing elected governments from attempting to persuade the European Central Bank to change interest rates or any other aspect of its policies. Backing this up, TNCs routinely threaten to disinvest if governments don’t dance to their tune. When labour is withdrawn in pursuit of policy changes not directly linked to the immediate workplace, workers are accused of “holding the country to ransom.” When capital threatens the precise equivalent, governments are enjoined to be realistic and accept the inevitable.

Debunking the “great” myths of globalization

Today, shrill free traders continue to debate strident protectionists, as though we still lived in a world where purely national corporations shipped finished products to other countries in return for different kinds of products. The picture of globalization as the inevitable emergence of a single global market in which countries specialize along the lines of absolute advantage (Adam Smith) or comparative advantage (David Ricardo) has long been at odds with reality. The majority of the world’s trade is intra-

industry trade in similar goods among the advanced industrial regions, not inter-industry trade in complementary goods among countries with different land or labour endowments. The U.S. and Europe sell each other cars and computers, while Japan deviates from the pattern by using nontariff barriers and currency manipulation to keep out imports. In addition, the world economy is highly regionalized. Trade within each of the three parts of what some called “the triad” of North America, Europe and East Asia is more important than trade among the members of the Triad.

Even more at odds with the conventional wisdom about trade is the fact that between a third and a half of all so-called international trade is “intra-firm” trade, in which components are shipped to and from a multinational corporation’s subsidiaries or partners in different countries. This is not trade, in the traditional sense. It is transnational production. Transnational production is the successor to national production, which in turn was the successor to local and regional production. Before the industrial revolution, most goods like tools and clothing were made from local materials in or near the place where they were consumed. Steam-powered factory production, combined with distribution by steam locomotives and steamships, created national and imperial markets in the nineteenth century that could support giant corporations that relied on the telegraph for coordination. Successive innovations in energy and communications — the electric power plant, the telephone, the truck and automobile, jets, container ships, the internet and satellites — have made possible global production networks which are replacing earlier purely national production networks.

Globalization: Myths and Realities

Over the past decades, the term “globalization” has become a common way for politicians and the media to refer to the dominant trends in the world economy. Economic globalization is, it would seem, all pervasive. But what exactly is globalization? In fact, the

meaning of “globalization” depends almost entirely on who is talking about it. For, say U.S. employers, it’s become shorthand for an aggressive program that involves government deregulation of industry, privatization of government services and liberalization of barriers to international finance and trade. Indeed, it’s become their new excuse for an old demand: Give us more. For Clinton and Corporate America, globalization is a policy that aims to open the world’s markets to U.S.-based transnational corporations. But it is also an ideology. Around the world, ruling classes use globalization as a justification for austerity measures, job cuts, spending cuts and increased workloads. Private-sector workers are threatened that if they don’t boost productivity and cut costs, their work will be moved to factories abroad, where wages are rock-bottom and unions non-existent. Each national ruling class and government can wash their hands of responsibility, saying essentially, “Globalization made me do it.”

But for all the claims of the globalization enthusiasts to be making the world anew, this is still capitalism as we have always known it. Several studies have shown that the world economy was more open during the period between 1870 and 1914--and that trade consumed a higher proportion of the main capitalist countries’ gross domestic product than it does today. What have changed are the increased magnitude and character of international trade and investment and the massive growth of international financial speculation. Left-wing economist Doug Henwood (2000) has recently challenged the uncritical acceptance of the term “globalization” in the following way:

‘If there’s one thing that analysts and activists across the political spectrum agree on today it’s that we live in an era of economic globalization. This is taken by both critics and cheerleaders as self-evident and largely unprecedented. We should think twice about this consensus...’

One of my problems with this term is that it often serves as a euphemizing and imprecise substitute for imperialism. From the first, capitalism has been an international and internationalizing system...Not only is the novelty of “globalization” exaggerated, so is its extent. Capital flows were freer, and foreign holdings by British

investors far larger, 100 years ago than anything we see today. Images of multinational corporations shuttling raw materials and parts around the world, as if the whole globe were an assembly line, are grossly overblown, accounting for only about a tenth of U.S. trade. Ditto trade penetration in general. Take one measure, exports as a share of GDP. By that measure, Britain was only a bit more globalized in 1992 than it was in 1913, and the United States today isn't a match for either. Japan, widely seen as the trade monster, exported only a little larger share of its national product than did Britain in 1950, a rather provincial year. Mexico was more internationalized in 1913 it than was in 1992. Exports are just one indicator, for sure, but by this measure, the distance between now and 1870 or 1913 isn't as great as it might seem.

Economic globalization has not meant that production and distribution is spread evenly across the globe. Far from it. The global economy remains dominated by a handful of wealthy countries--including those in Western Europe, the U.S., Japan and Canada. The vast majority of production takes place inside those countries and in regional trade blocs dominated by them--and the overwhelming bulk of world trade takes place between these regional giants. Far from globalization opening the way for developing nations to take their place in a system of international equals, the vast majority of the world's countries are either squeezed by the big powers--or simply abandoned to a miserable fate.

It is also the case that "globalization" is very poor word to describe the internationalization of the economy that has taken place. The U.S.-dominated North American Free Trade Agreement (NAFTA), the European Union and, in a more informal way, Japan are effectively regional trade blocs that absorb the bulk of manufacturing, trade, investment, loans and currency trading. According to one study, 82 percent of manufactured goods are made in the developed countries--a figure at odds with the stereotype of Third World manufacturing and a post-industrial "service economy" in the West. Furthermore, 75 percent of world trade takes place among advanced countries, a figure that has actually *increased* from 63 percent in 1960 (Pollard, 1997, p.38).

What about the developing countries? While nations like South Korea and Indonesia have given rise to major industrial corporations, only 15 percent of world output comes from developing countries--just a 4 percent increase since the 1970s. Similarly, only about 16.5 percent of trade involves developing countries--and the bulk of that is from a handful of countries such as Mexico and Brazil.

Footloose capital?

“If U.S. workers don’t accept lower wages,” runs Corporate America’s argument, “companies will just have to move elsewhere where labour is cheaper.” This refrain is heard daily--but that doesn’t make it true. It means that someone is trying hard to sell this case. Transnational corporations can’t simply pack up and move to where labour is cheapest. Often they require a skilled and educated workforce that can take years or even decades to develop--a workforce that it is profitable to maintain if wages are lower someplace else.

Moreover, transnational corporations typically rely on their “home” states to get them out of trouble. Consider the 1979 U.S. government bailout of Chrysler Corporation, which was deemed too big to go bankrupt. And governments can be indispensable for opening new business opportunities abroad, as every U.S. oil company executive with investments in the Middle East knows. Defence contractors and large “national champion” corporations also benefit from close ties to the state. A study of competition between Boeing Company and the European consortium Airbus showed how both companies used their economic clout to mobilize government officials to mount trade wars in their interests. A look at the semiconductor and robotics industries drew similar conclusions (Busch,1999).

These findings are not unusual. Two other researchers found that “virtually all of the world’s largest core firms have experienced a decisive influence from government policies and/or trade barriers on their strategy and competitive position,” and “at least twenty companies in the 1993 Fortune 100 would not have survived at all

as independent companies, if they had not been saved by their respective governments” (Ruigrock and Rob van Tulder, 1999, p.38). It is clear that while some employers will indeed make good on threats to move some production abroad, the great bulk of transnational corporations still concentrate their factories, investment, research, development and sales in their home countries. Thus, of 37,000 transnational corporations, 70 percent are based in the 14 countries of the advanced capitalist world.

While trade and investment have tied the richest parts of the world and their respective trade blocs more closely together, much of the world is getting left behind (Shawki and D’Amato, 2000, pp.7-8). As U.S. Secretary of State Madeleine Albright diplomatically put it on a trip to Nigeria to promote U.S-African trade in October 1999, “They find it pretty hard to understand that we’re going around saying that we have the world’s greatest economy, and that we have a huge budget surplus, and they are there digging themselves out of garbage.” U.S. aid to Africa actually declined from \$870 million in 1992 to \$700 million in 1999 as pointed out in “U.S. and Africa: Unfulfilled promises and skepticism,” *New York Times*, Oct. 25, 1999.

If world investment and trade are dominated by multinational corporations headquartered in the richest nations, the most prominent tendency that merits the term “globalization” is the growth in the volume and value of trade along with the transactions of the currency and foreign exchange markets. World exports now account for some \$7 trillion, or 21 percent of world gross domestic product, up from 17 percent in the 1970s. Foreign direct investment (FDI) has also increased sevenfold in the last 30 years, but it is concentrated in the most developed economies. The value of daily currency and trade surged from \$10 to \$20 million in the 1970s to an incredible \$1.5 trillion in 1998. Bank lending across borders also surged from \$265 billion to \$4.2 trillion in 1994.

These changes haven’t radically altered the shape of capitalism or altered its fundamental relationships. But as the period of financial crises of the 1990s--Mexico in 1995; East Asia, 1997; Russia and Brazil, 1998--showed, these huge transactions have served to heighten the instability of the system. This volatility, along

with rampant corporate greed and mind-numbing social inequality on a world scale, has been used by the tiny minority at the top of society to feed the myth of the unbeatable, insatiable, globalization monolith. But at the end of the day, even the richest and most powerful transnational has to rely on ordinary working people to realize its profits. And when workers organize and fight back, the giants can be revealed as vulnerable after all.

Is globalization to blame for lost jobs in U.S.?

Stagnant or falling wages, job insecurity and persistent poverty have beset U.S. workers throughout the 1990s. While layoffs and plant closures grind down the number of well-paying union jobs, a high proportion of new jobs are non-union, low-wage, no-benefit dead ends. Millions of people know from their everyday experience that there's a huge gap between the media's and politicians' happy talk about the economy and their own experience. And many of these people have identified globalization as *the* problem.

The very word "globalization" seems to sum up the workings of impersonal, uncontrollable market forces. Large corporations often claim that, in order to remain "competitive," they have no alternative but to shut down U.S. plants, eliminating decent-paying manufacturing jobs. Many workers see trade deals like NAFTA as the core of the problem--a license for employers to pick up and move their jobs south of the border, leaving wrecked lives and impoverished communities behind.

Certainly NAFTA hasn't produced the 200,000 jobs in the U.S. that its boosters promised. Even supporters had to admit that five years after its passage, NAFTA had led to about 150,000 job losses in the U.S. Pro-labour economists estimate that the actual figure is closer to 420,000. In recent years, Thomson Consumer Electronics, which bought the RCA television manufacturing plant in Bloomington, Indiana, and the Swingline Stapler manufacturing plant in New York City have made highly publicized moves to Mexico, feeding the public perception of an endless stream of runaway plants south of the border.

Meanwhile, Mexico has seen a massive expansion of manufacturing, with exports doubling between 1993 and 1998. The value of auto-related goods rose from \$7.2 billion in 1994 to \$19.2 billion over that same period as revealed in the article “Why Mexico scares the UAW,” *Business Week*, Aug. 3, 1998. General Motors has invested heavily in parts plants and an assembly plant that builds GMC Suburbans, and the auto-parts industry employs some 500,000 workers. But it’s simply wrong to view these jobs as “stolen” from the United States. European and Japanese automakers have also invested in Mexican plants in order to take advantage of NAFTA, as have electronics and textile manufacturers published “Mexico’s makeover,” *Business Week* (international edition), December 21, 1998.

What is more, some millions of jobs have been created in the U.S. since NAFTA came into effect. A closer look reveals that the great majority of manufacturing job loss is not a result of Corporate America’s decision to shift production abroad under NAFTA or other trade deals. For example, one study showed that trade deficits with low-wage economies account for only about 20 percent of all job losses (Gordon, 1996, p.194).

Manufacturing jobs *have* suffered a net loss in the U.S. since 1980, but there have been a number of important new plants opened. For example, although the United Auto Workers (UAW) has lost about half its membership since then, there are actually slightly more workers in the auto industry in the U.S. today as the result of “transplants”--factories owned by Japanese, German and other car companies.

So what accounts for the loss of some 8 million manufacturing jobs over the past 20 years? These cutbacks are the result of management’s squeeze on workers--one that has resulted in declining or stagnant wages and lousy working conditions for tens of millions of people across the U.S. whose jobs are virtually unaffected by trade and globalization. And many jobs that are “outsourced” from unionized companies go to non-union companies based in the U.S., not abroad. Even in the economic recovery of recent years, both union and non-union employers alike

routinely hold down wages and use mass layoffs to keep workers from making real gains.

In fact, the employers' offensive against U.S. workers long predates NAFTA and the World Trade Organization. It began in the recession of the mid-1970s, when, as economist David Gordon noted, "There can be little doubt that corporations *resolved* to gain substantial ground with both unionized and non-unionized employees" (Ibid., pp. 204-207). Following the bitter national coal miners' strike of 1977-78, UAW President Doug Fraser rightly accused the employers of breaking a "social compact": "I believe leaders of the business community, with few exceptions, have chosen to wage a one-sided class war on this country" (Ibid.). However, Fraser himself soon signed terms of surrender in the class war, agreeing to huge wage concessions at Chrysler.

The era of "concessions bargaining" had begun--backed by the threat of outright union busting. President Reagan's firing of 11,000 air-traffic controllers in 1981 spurred the employers on. By 1987, in the midst of an economic recovery, three-quarters of all contracts covering 1,000 or more workers contained concessions. For manufacturing workers, the figure was 90 percent as explained by Sharon Smith in "Twilight of the American dream," *International Socialism* 54, Spring 1992: pp. 3-43. But concessions didn't stop job losses. The United Steelworkers of America and the UAW have seen their membership cut virtually in half over the last 20 years. By 1994, *Business Week* could comment, "(O)ver the past dozen years, U.S. industry has conducted one of the most successful anti-union wars ever, illegally firing thousands of workers for exercising their right to organize. To ease up now, many executives feel, would be to snatch defeat from the jaws of victory" as quoted in Sharon Smith, "Dogs bite back," *Socialist Review*, September 1994: p. 21. They didn't ease up: the number of workers represented by unions fell from 33 percent in the 1950s to less than 29 percent in 1979 to about 14 percent today, despite a modest gain in 1999. Only 10 percent of private-sector workers are unionized.

The employers' offensive continued into the recovery of the 1990s. Real wages have averaged just a 0.2 percent increase per year, and companies have continued to wipe out well-paying jobs. The

vast majority of these job cuts had nothing to do with imports or globalization. Rather, they were the products of endless restructuring by management to reduce costs wherever possible. Often, these cuts followed huge mergers, as when Citibank merged with Travellers Group to form Citigroup. In the 1990s, “downsizing quickly became the mainstay of all management strategies, the consistent response to whatever ailed a corporation,” writes Joel Blau, author of a book on U.S. working conditions today (Blau, 1999, p.57). For example, AT&T announced 40,000 layoffs in 1996. Its main competitors aren’t, of course, foreign imports but non-union U.S. rivals like MCI Worldcom and Sprint.

Dozens more major corporations have also taken an axe to jobs in recent years. According to the consulting firm Challenger, Gray and Christmas, there were 678,000 layoffs in 1998 and 675,000 in 1999—higher than during the recession-plagued years of the early 1990s. In the winter of 2000, Coca-Cola announced layoffs of 6,000, or 20 percent of its workforce. Xerox followed several weeks later with plan to get rid of 5,200 jobs.

What’s more, these layoffs took place even as unemployment levels are at 30-year lows. As some workers are shoved out the door, management hires new workers—often for lower pay and fewer benefits. “This may sound cold, but get used to it,” the *Wall Street Journal* declared. “These days, many companies are firing and hiring at the same time, dumping outmoded or redundant employees and adding new ones with very different skills” as in “Firms face myriad pressures to ‘churn’ employees as they upgrade job skills,” *Wall Street Journal*, March 13, 2000.

As for the millions of new jobs created in the boom, the majority of them are in historically non-union industries and/or in regions where organized labour is weak, such as the South and West. “Ninety percent of the federation’s union members are concentrated in only eight of 15 sectors of the economy, with nearly 20 percent of the membership concentrated in the metropolitan areas surrounding New York City and Los Angeles,” the *Washington Post* reported. “So, as the ‘new’ economy gives birth to whole new industries, unions have only managed to sign up one member for

every 20 new jobs created” drummed as “Organized labour fights to recover strength,” in *Washington Post*, Oct. 12, 1999.

A loss of decent union jobs, insecurity and lousy wages in the U.S., then, aren’t simply the result of an uncontrollable force called “globalization” or “foreign competition.” Rather, they’re a consequence of Corporate America’s strategy to keep workers on the defensive in order to squeeze more profits from them. The biggest companies use all the tricks at their disposal: busting unions, using technology to replace workers, instituting “teamwork” and other schemes to get workers to work harder for less, and moving production to non-union plants in the U.S. or abroad.

Henwood summed up the case very well:

“I’m not going to deny that plant relocations to Mexico and outsourcing contracts in China have put a sharp squeeze on U.S. manufacturing employment and earnings, and the threat of those things has greatly reduced the bargaining power of U.S. workers. How much has this contributed to downward mobility and increasing stress? The econometricians say that trade explains, at most, about 20-25% of the decline in the real hourly wage between 1973 and 1994...That still leaves 75-80% to be explained, and the main culprits there are mainly of domestic origin. I’d say an important reason that trade doesn’t explain more of our unhappy economic history since the early 1970s is that 80% of us work in services--and a quarter of those in government--which is largely exempt from international competition. What did “globalization” have to do with Teddy Kennedy and Jimmy Carter pushing transport deregulation, or with Reagan’s firing the air traffic controllers, with Clinton’s signing the end-of-welfare bill, or with Rudy Giuliani being such a repressive pig? What does “globalization” have to do with cutbacks at public universities or the war on affirmative action? While lots of people blame the corporate downsizings of the 1990s on the twin demons, globalization and technology, the more powerful influences were Wall Street portfolio managers, who were demanding higher profits--which they have gotten, by

the way, which is one of several reasons why the Dow has done so well” (Henwood, op. cit.)

Consider the case of Caterpillar. The maker of construction and farm equipment was, by the 1990s, the dominant player on the world scene, opening plants in Eastern Europe and Asia. In its effort to drive down costs, the company took aim at the UAW, which represented 13,000 workers in the U.S. By using scab labour, the company was able to defeat two long strikes in the mid-1990s. It then stepped up efforts to move production to new plants--but not to Ukraine or Asia, where it has facilities. Instead, the company developed a network of 15 new non-union plants in the U.S., 11 of them in the historically non-union Southern states. Two of the non-union plants took over the work formerly done at Cat’s UAW-organized plant in York, Pennsylvania, which closed following the strike ¹⁸ as discussed by Lee Sustar, in “A new labour movement,” *International Socialist Review* 1, Summer 1997: p. 24.

As Henwood acknowledges, there are some jobs being shipped overseas. The acknowledged master of this kind of corporate job-killing is Jack Welch, CEO of General Electric (GE), which is often considered the world’s most globalized company. “Neutron” Jack--named for the bomb that kills people but leaves buildings standing--has, since 1986, slashed GE’s U.S. employment by 50 percent to 163,000, while nearly doubling foreign employment to about 130,000. In all, more than 100,000 GE jobs have been eliminated in the U.S. since 1980. These cutbacks have devastated entire communities. For example, employment at GE’s Appliance Park in Louisville, Kentucky, has been slashed in half to 7,500, with the work moved to a joint venture in Mexico. “Ideally, you would have every plant on a barge,” Welch once said. Now GE is demanding that its suppliers move to Mexico, too. A representative of one its suppliers, Ametek--a unionized GE supplier based in Massachusetts--took notes at a meeting GE held for its suppliers: “Migrate or be out of business; not a matter of if, just when. This is not a seminar to provide information. We expect you to move and move quickly.” Even suppliers of GE Aircraft Engines are being ordered to move to Mexico, despite the fact that the division’s

profits are up 80 percent since 1994 (see “Welch’s march to the South,” *Business Week*, December 6, 1999).

Fighting the job killers

Standing up to companies that ship jobs overseas requires an aggressive approach—one that takes on management at home and overseas, rather than turning to protectionism. So besides defending the existing union jobs and seeking to organize the non-union majority of GE workers in the U.S., the coalition of 14 unions that represents GE workers, the Coordinated Bargaining Committee (CBC), is stepping up efforts at cross-border solidarity. In 1997, bargaining included representatives from Brazilian trade unions, in an effort to get GE to sign a neutrality pledge regarding organizing. As part of the fight for a contract in the year 2000, the CBC hosted a meeting of unions representing GE workers in several different countries.

As a statement by the CBC put it, “[T]he issue is not one of ‘us against them’—Americans vs. non-Americans—but rather who’s job will be on the chopping block. The American job that migrates to Mexico today may go to Malaysia tomorrow and somewhere else the day after. The metaphor of GE on a barge can be supplemented with one of the ‘disposable worker.’ Only cross-border solidarity can maintain employment stability everywhere” (see GE Coordinated Bargaining Committee, “Building trade union power in the global economy: The CBC-General Electric strategic campaign.” Available on-line at <http://gecontract2000.com/global2.htm> (as of May 29, 2000).

In sum, in contrast to the earlier system of regulated, welfare state capitalism, the current global neoliberal order (Kotz, 2002) has offered little in the way of benefits for the working class or other non-privileged sectors. On the contrary, ordinary people have experienced worsening conditions in practically every aspect of their lives. These include the following: 1). Growing inequality within countries, with a small minority of the rich becoming rapidly richer while middle layers barely maintain their living standard and the majority experience a decline in living standard; 2). Growing

inequality between countries, with a significant number of countries experiencing gradual or rapid economic decline; 3). Increasing insecurity among workers, small farmers, and small business; 4). Increasing instability in the economic and financial system; 5). Growing penetration of commercial values in every sphere of society; 6). Increasing direct and indirect domination by transnational corporations and wealthy individuals over states; 7). Mounting threats to the environmental sustainability of the economy and human society; and, 8). An increasingly open policy of aggressive imperialism by the leading capitalist powers, specifically the US and Britain, with the likelihood of increasing armed conflict in the world (Marx, Karl. 1967/1867).

The global neoliberal order has not just brought worsening conditions for ordinary people. It has also systematically disempowered them. Capitalism in every stage grants the major power in society to the capitalist class and its representatives. However, popular groups have historically fought for and exercised some power, though trade unions, political parties, representatives in national and local governments, and various non-governmental organizations. Neoliberalism tends to weaken and marginalize all of the institutions through which popular groups have previously had some voice, concentrating power in the giant transnational corporations and banks and the international institutions which represent them.

The unfavourable conditions faced by ordinary people under global neoliberal capitalism highlight the growing gap between the advanced level of technological development that has been attained and the inability of the system to satisfy individual and collective human needs. This system is remarkably difficult to promote to a general audience, which explains the typical claim that neoliberal transformation, although painful, is “necessary” or “inevitable” or “unavoidable.” What this means is that any alternative economic relations will be destroyed by neoliberal forms on the battlefield of competition, or if necessary, be removed by military force.

The unfavourable conditions for ordinary people, and the loss of power which they have experienced, have given rise to opposition movements throughout the world. The working class

has been affected in all of its roles in society. As producers, workers have fought, through trade unions and political action, against the worsening living standard and job conditions they have faced. The working class along with other classes and groups have fought against the cutbacks in, and decreasing quality of, collectively provided services such as health care, education, and mass transportation. Peasant movements have fought against attacks on their livelihood and communities. Indigenous communities have fought against encroachments on their communities and cultures. Social reformers have fought the growing penetration of commercialism. Young people have protested against a future that seems to hold little of promise for them. Environmentally conscious people have resisted the dismantling of necessary regulations on corporate activity. Peace activists have protested the continuation of huge military budgets, war, and aggression in the world despite the end of the long Cold War confrontation (Kotz *et al.*, 1997)).

At the end of the 1990s, these various movements, originating in different parts of the world, among different social groups, and around different issues, began to join together in a new global justice movement. This was not an accident. Activists in the various movements gradually realized they were facing a common enemy, namely global neoliberal capitalism. More recently an even larger movement has swept the world against the aggressive imperialist policy of the US and Britain in their determination to wage war to control the Middle East. It seems likely that this massive new anti-war movement is not just about war, or about Iraq, or about the Middle East. It appears to be drawing on several decades of growing dissatisfaction and anger at the tiny privileged elite that has been reshaping the world in ways that make the majority worse off – an elite that is deaf to the opinions of ordinary people. The US-British War against Iraq, launched by the two governments that have been the primary source of neoliberal restructuring in the world, seems to be the final straw that has driven tens of millions of people into the streets to say “enough” and “another world must be possible.”

Socialism or Reform of Capitalism?

We seem to be at the start of a new period of major struggle against capitalism, after a long time of relative quiescence and relatively unimpeded action by those constructing the global neoliberal order. Will the new movement now in formation turn out to be a force for another wave of major reform in capitalism, or rather might it lead to the replacement of capitalism by socialism? Advocates of both aims are present in the leadership of this new movement, although the masses of participants are, at this time, undoubtedly largely of reformist inclination. Is it possible that this movement will turn into a force for radical transformation of the world?

The above analysis of a vision of socialism and of the contemporary stage of neoliberal capitalism suggest three preconditions for the development of a powerful socialist movement in the current conditions. First, the various movements against the particular ills inflicted by global neoliberal capitalism would have to be transformed into battles over the power to determine how economic resources are used. This would represent a direct challenge to the disempowering of popular groups by neoliberal restructuring. The various particular opposition movements can be thought of as representing, in embryo, the democratic participatory socialism of the future, in which popular groups will make economic decisions. Socialists within these movements should struggle for the principle of the right of popular groups to make the economic decisions that affect them. In this way, socialism can be made real to the participants in those movements, although socialism cannot finally and fully be installed without making a radical break with current property relations and the current allocation of political power.

Second, there is a need for mass education about the ways in which capitalism lies at the root of the problems afflicting ordinary people around the world. That is, the anti-capitalist consciousness that has already developed in many social movements would have to spread to a much wider audience. For example, it can be pointed out that the aggressive war launched by the US and British

Governments against Iraq is not just the result of a cowboy US president from Texas. This war has deeper sources in the tendency of powerful capitalist states to assert control over as much of the world as possible, in order to gain control over raw materials, as well as to assure markets for exports and obtain cheap labour.

Third, the belief that nothing beyond capitalism is possible can be countered by projecting a vision of a workable socialism, based on popular democratic participation (Devine, 1988) in the economic as well as the political institutions of society. The socialist movement can be rebuilt, and socialism can become a real possibility again, only when millions of people become convinced, not only that capitalism does not meet their needs, but that a qualitatively superior alternative system is possible.

Most people will not easily pass beyond the fight for social reform to adopt a position in favour of the radical step of replacing capitalism entirely. After all, a fundamental social transformation inevitably entails high costs and many sacrifices. Masses of people will consider such change only if they become convinced that the existing system cannot be reformed so as to make it tolerable. There is no way to be certain that capitalism, if confronted with a powerful and growing socialist movement, will not switch over to a more benign, regulated form once again. However, it appears to be a feature of global neoliberal capitalism that it doggedly resists any effort to soften or modify its hard edges. The tenacity and determination of the current rulers of world capitalism in their effort to impose the inhuman global neoliberal form of capitalism on the world armed with its social science theoretical falsehoods may turn out to be their undoing. If the resistance to reform on the part of global neoliberal capitalism persists, Karl Marx's vision of a socialist future for humankind may again be placed on the world's political agenda.

Let us be very clear in our summary that there is an evil afoot, neoliberalism economics, the brain child of the globalizers. It is neither new nor liberal, but the rebirth of the economics practices during the era of the Robber Barons. It brought on the Great Depression. Neoliberalism holds that the forces of the market place should be unfettered, viz., without regulations; and a second

premise is that the roles of government are better fulfilled by private businesses. Neoliberalism is the sophistry used to justify the ruling clique's return to the economic conditions of the 19th century. It is just a deceptive sales pitch pushed by the corporate media and taught in a university system which has strong ties to the business community. They say it will bring manufacturing and wealth to the poor countries and skilled jobs to the developed; but these aren't the results. Don't look to the globalizer's theory and sales pitch, but to their actions and its consequences (as Naomi Kline has done in "The Shock Doctrine"). Look at the big banks, brokerage houses, and other global corporations. Through their WTO, World Bank, IMF, and the foreign diplomacy of the wealthy nations, over 200 nations have found it PRUDENT to sign free-trade agreements, which cover much more than trade. These trade treaties--with acronyms such as NAFTA, CAFTA, AFTA, and MEFTA--require the dismantling of regulations governing their currency and finance, require opening the resources, land, transit, media, utilities, banking, manufacturing, and markets for foreign purchase and competition. There are over 900 clauses in these trade treaties which require the undoing of regulations. This signing of a treaty is a continuation of the ruling clique/party's historical course of action: the ruler's powerbase is tied to the business community and its press.

A nation which resists globalization faces economic sanctions. If that fails there is the Marines and NATO. The principle reason for the Iraq war is MEFTA, with Iraq being hung out as an example—the same occurred with Libya, and Iran will likely experience the same. The corporate media inculcates a different explanation. Foreign policy of the developed nations is tied on a global scale to the shadow governments. Today's new Robber Barons are not the monopoly capitalists & bankers like Rockefeller, Rothschild, and Morgan, but a much bigger corporate fish. Their goal is to eliminate local competition, by establishing a world government for whom they are the shadow government. The business ethics hasn't changed, only the size of the board upon which they play, for now it covers our planet.

There have always been shadow governments. Consider the words of Theodore Roosevelt, New York Times 1922: "These

International bankers and Rockefeller-Standard Oil interests control the majority of newspapers and the columns of these papers to club into submission or rive out of public office officials who refuse to do the bidding of the powerful corrupt cliques which compose the invisible government". These shadow governments wants globalization, wants bailouts for the financial sector, and governments obeys. Ours has guaranteed 23.7 trillion of bad loans and speculative vehicles such as derivatives, and we have 80 major military bases around the globe. U.S. and EU's domestic & foreign policies promote the type of globalization that the shadow governments want. They wanted to expand the debt-based currency, so we went off gold 1972—interest payments go to the banks. The expanding currency must be used, and most has gone into shadow banking activities and loans.

Consumer, commercial, and government debts in 2011 totalled over \$60 trillion. Servicing government debt is now the second biggest item in the budget (\$454 billion for 2010). The manufacturing foundation of our economy has been eroded to below 10% of employment—fast-food workers not counted. This has resulted in an imbalance of trade amounting to over \$70 billion per month (more debt). From 2000 to 2006 the dollar has depreciated against the EURO by 38%--which of course is also loosing purchasing power, but not as fast. This drop in our dollar's value keeps the foreign dollars here to buy new T-bills to replace the T-bills that have matured. This expansion of currency has created for speculators the spectre of "Panic". It almost caused a 2nd great depression in 08. What happened in Argentina, Asia, and Greece today, awaits the US. The Robber Baron's media passes the blame for economic crisis and strife on national government's spending, but the shadow government is the ultimate cause. Debit entails interest payments; crisis entails higher interest rates, foreclosures, and bargain purchases. The shadow global government profits from these panics.

The shadow-government policies has resulted in the out-sourcing of jobs, the flood of tariff-free goods, the flood of immigrants and illegal aliens, the reduction of worker's buying power, the breaking of unions, the reduction of social services, and

a shift of the tax burden by a drastic reduction of corporate & the top 1% income taxes. The U.S. ranks 4th in GDP, yet is 92nd in distribution of wealth—UN stats. The purchasing power of workers has steadily dropped since 1972, even though their productivity has increased by 45%. It is consumed by the financial section which makes up 44% of corporate profits. In 1950s a family got by on one income; there were very few working mothers. Standards of living are falling not just in the developed nations, but also the poor nations—another fact that the corporate media denies. Global corporations including banking are the foreign weeds choking out native industries around the globe. We need to return to unions (a voice for the masses), tariffs, and business regulations, like in the 50s. We need a government with its sole primary duty being the promotion of the well-being of the masses. And this can only be accomplished by ending corporation's political donations and also by having a public media committed to truth, education, and the public weal. Neoliberalism, the sales tool of the globalizers, is good for the masters of mankind.

The State of the State

Globalization was the fad of the 1990s and beyond. And globalization is made in America, powered by a huge theoretical and mediated arsenal. Economic interests become so strong that markets begin to replace politics at home and abroad. That economics depresses politics and limits its significance is taken to be a happy thought. Thomas Friedman's *The Lexus and the Olive Tree* is a celebration of the American way, of market capitalism and liberal democracy. Free markets, transparency, and flexibility are the watchwords. The "electronic herd" moves vast amounts of capital in and out of countries according to their political and economic merits. Capital moves almost instantaneously into countries with stable governments, progressive economies, open accounting, and honest dealing, and out of countries lacking those qualities. States can defy the "herd," but they will pay a price, usually a steep one, as did Thailand, Malaysia, Indonesia, and South Korea in the 1990s. Some countries may defy the herd inadvertently (the countries just

mentioned); others, out of ideological conviction (Cuba and North Korea); some, because they can afford to (oil-rich countries); others, because history has passed them by (many African countries).

Countries wishing to attract capital and to gain the benefits of today's and tomorrow's technology have to don the "golden straitjacket," a package of policies including balanced budgets, economic deregulation, openness to investment and trade, and a stable currency. The herd decides which countries to reward and which to punish, and nothing can be done about its decisions. In September 1997, at a World Bank meeting, Malaysia's Prime Minister, Dr. Mahathir Mohammad, complained bitterly that great powers and international speculators had forced Asian countries to open their markets and had manipulated their currencies in order to destroy them. Friedman (1999, 93) wonders what Robert Rubin, then-U.S. treasury secretary, might have said in response. He imagines it would have been something like this: "What planet are you living on? . . . Globalization isn't a choice, it's a reality, . . . and the only way you can grow at the speed that your people want to grow is by tapping into the global stock and bond markets, by seeking out multinationals to invest in your country, and by selling into the global trading system what your factories produce. And the most basic truth about globalization is this: *No one is in charge.*"

The herd has no telephone number. When the herd decides to withdraw capital from a country, there is no one to complain to or to petition for relief. Decisions of the herd are collective ones. They are not made; they happen, and they happen because many investors individually make decisions simultaneously and on similar grounds to invest or to withdraw their funds. Do what displeases the herd, and it will trample you into the ground. Globalization is shaped by markets, not by governments.

Globalization means homogenization. Prices, products, wages, wealth, and rates of interest and profit tend to become the same all over the world. Like any powerful movement for change, globalization encounters resistance. In America, from religious fundamentalists; abroad, from anti-Americanists; everywhere from cultural traditionalists. And the resisters become bitter because

consciously or not they know they are doomed. Driven by technology, international finance sweeps all before it. Under the protection of American military power, globalization proceeds relentlessly. As Friedman proclaims: “America truly is the ultimate benign hegemony” (375).

The “end of the Cold War and the collapse of communism have discredited all models other than liberal democracy.” The statement is by Larry Diamond, and Friedman repeats it with approval. There is one best way, and America has found it. “It’s a post-industrial world, and America today is good at everything that is post-industrial” (145, 303). The herd does not care about forms of government as such, but it values and rewards “stability, predictability, transparency, and the ability to transfer and protect its private property.” Liberal democracies represent the one best way. The message to all governments is clear: Conform or suffer. There is much in what Friedman says, and he says it very well. But how much? And, specifically, what is the effect of closer interdependence on the conduct of the internal and external affairs of nations?

First, we should ask how far globalization has proceeded. As everyone knows, much of the world has been left aside: most of Africa and Latin America, Russia, all of the Middle East except Israel, and large parts of Asia. Moreover, for many countries, the degree of participation in the global economy varies by region. Northern Italy, for example, is in; southern Italy is out. In fact, globalization is not global but is mainly limited to northern latitudes. Linda Weiss points out that, as of 1991, 81% of the world stock of foreign direct investment was in high-wage countries of the north: mainly the United States, followed by the United Kingdom, Germany, and Canada. She adds that the extent of concentration has grown by 12 points since 1967 (Weiss 1998; cf., Hirst and Thompson 1996, 72).

Second, we should compare the interdependence of nations now with interdependence earlier. The first paragraph of this paper suggests that in most ways we have not exceeded levels reached in 1910. The rapid growth of international trade and investment from the middle 1850s into the 1910s preceded a prolonged period of

war, internal revolution, and national insularity. After World War II, protectionist policies lingered as the United States opened its borders to trade while taking a relaxed attitude toward countries that protected their markets during the years of recovery from war's devastation. One might say that from 1914 into the 1960s an interdependence deficit developed, which helps to explain the steady growth of interdependence thereafter. Among the richest 24 industrial economies (the OECD countries), exports grew at about twice the rate of GDP after 1960. In 1960, exports were 9.5% of their GDPs; in 1900, 20.5% (Wade 1996, 62; cf., Weiss 1998, 171). Finding that 1999 approximately equals 1910 in extent of interdependence is hardly surprising. What is true of trade also holds for capital flows, again as a percentage of GDP (Hirst and Thompson 1996, 36).

Third, money markets may be the only economic sector one can say has become truly global. Finance capital moves freely across the frontiers of OECD countries and quite freely elsewhere (Weiss 1998, xii). Robert Wade notes that real interest rates within northern countries and between northern and southern countries vary by no more than 5%. This seems quite large until one notices variations across countries of 10 to 50 times in real wages, years of schooling, and numbers of working scientists. Still, with the movement of financial assets as with commodities, the present remains like the past. Despite today's ease of communication, financial markets at the turn of the previous century were at least as integrated as they are now (Wade 1996, 73-75).

Obviously, the world is not one. Sadly, the disparities of the North and South remain wide. Perhaps surprisingly, among the countries that are thought of as being in the zone of globalization, differences are considerable and persistent. To take just one example, financial patterns differ markedly across countries. The United States depends on capital imports, Western Europe does not, and Japan is a major capital exporter. The more closely one looks, the more one finds variations. That is hardly surprising. What looks smooth, uniform, and simple from a distance, on closer inspection proves to be pock marked, variegated, and complex. Yet here, the variations are large enough to sustain the conclusion that

globalization, even within its zone, is not a statement about the present, but a prediction about the future.

Many globalizers underestimate the extent to which the new looks like the old. In any competitive system the winners are imitated by the losers, or they continue to lose. In political as in economic development, latecomers imitate the practices and adopt the institution of the countries who have shown the way. Occasionally, someone finds a way to outflank, to invent a new way, or to ingeniously modify an old way to gain an advantage; and then the process of imitation begins anew. That competitors begin to look like one another if the competition is close and continuous is a familiar story. Competition among states has always led some of them to imitate others politically, militarily, and economically; but the apostles of globalization argue that the process has now sped up immensely and that the straitjacket allows little room to wiggle. In the old political era, the strong vanquished the weak; in the new economic era, “the fast eat the slow” (Klaus Schwab quoted in Friedman 1999, 171). No longer is it “Do what the strong party says or risk physical punishment”; but instead “Do what the electronic herd requires or remain impoverished.” But then, in a competitive system there are always winners and losers. A few do exceptionally well, some get along, and many bring up the rear.

States have to conform to the ways of the more successful among them or pay a stiff price for not doing so. We then have to ask what is the state of the state. What becomes of politics within the coils of encompassing economic processes? The message of globalizers is that economic and technological forces impose near uniformity of political and economic forms and functions on states. They do so because the herd is attracted only to countries with reliable, stable, and open governments—that is, to liberal democratic ones.

Yet a glance at just the past 75 years reveals that a variety of political-economic systems have produced impressive results and were admired in their day for doing so. In the 1930s and again in the 1950s, the Soviet Union’s economic growth rates were among the world’s highest, so impressive in the ‘50s that America feared being overtaken and passed by. In the 1960s President Kennedy got

“the country moving again,” and America’s radically different system gained world respect. In the ‘70s, Western European welfare states with managed and directed economics were highly regarded. In the late ‘70s and through much of the ‘80s, the Japanese brand of neomercantilism was thought to be the wave of the future; and Western Europe and the United States worried about being able to keep up.

Imitate or perish was the counsel of some; pry the Japanese economy open and make it compete on our grounds was the message of others. America did not succeed in doing much of either. Yet in the 1990s, its economy has flourished. Globalizers offer it as the ultimate political-economic model and so history again comes to an end. Yet it is odd to conclude from a decade’s experience that the one best model has at last appeared. Globalization, if it were realized, would mean a near uniformity of conditions across countries. Even in the 1990s, one finds little evidence of globalization. The advanced countries of the world have enjoyed or suffered quite different fates. Major Western European countries were plagued by high and persistent unemployment; Northeast and Southeast Asian countries experienced economic stagnation or collapse while China continued to do quite well; and we know about the United States.

Variation in the fortunes of nations underlines the point: The country that has done best, at least lately, is the United States. Those who have fared poorly have supposedly done so because they have failed to conform to the American Way. Globalizers do not claim that globalization is complete, but only that it is in process and that the process is irreversible. Some evidence supports the conclusion; some does not. Looking at the big picture, one notices that nations whose economies have faltered or failed have been more fully controlled, directed, and supported governmentally than the American economy. Soviet-style economies failed miserably; in China, only the free-market sector flourishes; the once much-favoured Swedish model has proved wanting. One can easily add more examples.

From them it is tempting to leap to the conclusion that America has indeed found, or stumbled onto, the one best way. Obviously,

Thomas Friedman thinks so. Tip O'Neill, when he was a congressman from Massachusetts, declared that all politics are local. Wrong, Friedman says, all politics have become global. "The electronic herd," he writes, "turns the whole world into a parliamentary system, in which every government lives under the fear of a no-confidence vote from the herd" (1999, 62, 115).

I find it hard to believe that economic processes direct or determine a nation's policies, that spontaneously arrived at decisions about where to place resources reward or punish a national economy so strongly that a government either does what pleases the "herd" or its economy fails to prosper or even risks collapse. We all recall recent cases, some of them mentioned above, that seem to support Friedman's thesis. Mentioning them both makes a point and raises doubts.

First, within advanced countries at similar levels of development that are closely interrelated, one expects uniformities of form and function to be most fully displayed. Yet Stephen Woolcock, looking at forms of corporate governance within the European community, finds a "spectrum of approaches" and expects it to persist for the foreseeable future (1996, 196). Since the 1950s, the economies of Germany and France have grown more closely together as each became the principal trading partner of the other. Yet a study of the two countries concludes that France has copied German policies but has been unwilling or unable to copy institutions (Boltho 1996). GDP per work hour among seven of the most prosperous countries came close together between the 1950s and the 1980s (Boyer 1996, 37). Countries at a high level of development do tend to converge in productivity, but that is something of a tautology.

Second, even if all politics have become global, economies remain local perhaps to a surprising extent. Countries with large economies continue to do most of their business at home. Americans produce 88% of the goods they buy. Sectors that are scarcely involved in international trade, such as government, construction, non-profit organizations, utilities, and wholesale and retail trade employ 82% of Americans (Lawrence 1997, 21). As Paul Krugman says, "The United States is still almost 90% an economy that produces goods and services for its own use" (1997, 166). For

the world's three largest economies, the United States, Japan, and the European Union taken as a unit, exports are 12% or less of GDP (Weiss 1998, 176). What I found to be true in 1970 remains true today: The world is less interdependent than is usually supposed (Waltz 1970). Moreover, developed countries, oil imports aside, do the bulk of their external business with one another, and that means that the extent of their dependence on commodities that they could not produce for themselves is further reduced.

Reinforcing the parochial pattern of productivity, the famous footloose corporations in fact turn out to be firmly anchored in their home bases. One study of the world's 100 largest corporations concludes that not one of them could be called truly "global" or "footloose." Another study found one multinational corporation that seemed to be leaving its home base: Britain's chemical company, ICI (Weiss 1998, 18, 22; cf., Hirst and Thompson 1996, 82N93, 90, 95ff.). On all the important counts location of most assets, site of research and development, ownership, and management. The importance of a corporation's home base is marked. And the technological prowess of corporations corresponds closely to that of the countries in which they are located.

Third, the "*transformative capacity*" of states, as Linda Weiss emphasizes, is the key to their success in the world economy (Weiss 1998, xii). Because technological innovation is rapid, and because economic conditions at home and abroad change often, states that adapt easily have considerable advantages. International politics remains inter-national. As the title of a review by William H. McNeill (1997) puts it, "Territorial States Buried Too Soon."

Global or world politics has not taken over from national politics. The twentieth century was the century of the nation-state. The twenty-first will be too. Trade and technology do not determine a single best way to organize a polity and its economy. National systems display a great deal of resilience. States still have a wide range of choice. Most states survive, and the units that survive in competitive systems are those with the ability to adapt. Some do it well, and they grow and prosper. Others just manage to get along. That's the way it is in competitive systems. In this spirit, Ezra Taft

Benson, when he was President Eisenhower's secretary of agriculture, gave this kindly advice to America's small farmers: "Get big or get out." Success in competitive systems requires the units of the system to adopt ways they would prefer to avoid.

States adapt to their environment. Some are light afoot, and others are heavy. The United States looked to be heavy afoot in the 1980s when Japan's economy was booming. Sometimes it seemed that MITI (Ministry of International Trade and Industry) was manned by geniuses who guided Japan's economy effortlessly to its impressive accomplishments. Now it is the United States that appears light afoot, lighter than any other country. Its government is open: Accurate financial information flows freely, most economic decisions are made by private firms. These are the characteristics that make for flexibility and for quick adaptation to changing conditions.

Competitive systems select for success. Over time, the qualities that make for success vary. Students of American government point out that one of the advantages of a federal system is that the separate states can act as laboratories for social-economic experimentation. When some states succeed, others may imitate them. The same thought applies to nations. One must wonder who the next winner will be.

States adapt; they also protect themselves. Different nations, with distinct institutions and traditions, protect themselves in different ways. Japan fosters industries, defends them, and manages its trade. The United States uses its political, economic, and military leverage to protect itself and manipulate international events to promote its interests. Thus, as David E. Spiro elaborately shows, international markets and institutions did not recycle petrodollars after 1974. The United States did. Despite many statements to the contrary, the United States worked effectively through different administrations and under different cabinet secretaries to undermine markets and thwart international institutions. Its leverage enabled it to manipulate the oil crisis to serve its own interests (1999, chap. 6).

Many of the interdependers of the 1970s expected the state to wither and fade away. Charles Kindleberger wrote in 1969 that "the

nation-state is just about through as an economic unit” (207). Globalizers of the 1990s believe that this time it really is happening. The state has lost its “monopoly over internal sovereignty,” Wolfgang H. Reinecke writes, and as “an externally sovereign actor” it “will become a thing of the past” (1997, 137; cf., Thurow 1999). Internally, the state’s monopoly has never been complete, but it seems more nearly so now than earlier, at least in well-established states. The range of governmental functions and the extent of state control over society and economy has seldom been fuller than it is now. In many parts of the world the concern has been not with the state’s diminished internal powers but with their increase. And although state control has lessened somewhat recently, does anyone believe that the United States and Britain, for example, are back to a 1930s level, let alone to a nineteenth-century level of governmental regulation?

States perform essential political social-economic functions, and no other organization appears as a possible competitor to them. They foster the institutions that make internal peace and prosperity possible. In the state of nature, as Kant put it, there is “no mine and thine.” States turn possession into property and thus make saving, production, and prosperity possible. The sovereign state with fixed borders has proved to be the best organization for keeping peace and fostering the conditions for economic well-being. We do not have to wonder what happens to society and economy when a state begins to fade away.

We have all too many examples. A few obvious ones are China in the 1920s and ‘30s and again in the 1960s and ‘70s, post-Soviet Russia, and many African states since their independence. The less competent a state, the likelier it is to dissolve into component parts or to be unable to adapt to transnational developments. Challenges at home and abroad test the mettle of states. Some states fail, and other states pass the tests nicely. In modern times, enough states always make it to keep the international system going as a system of states. The challenges vary; states endure. They have proved to be hardy survivors. Having asked how international conditions affect states, I now reverse the question and ask how states affect the conduct of international political affairs.

The State in Global Politics

Economic globalization would mean that the world economy, or at least the globalized portion of it, would be integrated and not merely interdependent. The difference between an interdependent and an integrated world is a qualitative one and not a mere matter of proportionately more trade and a greater and more rapid flow of capital. With integration, the world would look like one big state. Economic markets and economic interests cannot perform the functions of government. Integration requires or presumes a government to protect, direct, and control. Interdependence, in contrast to integration, is “the mere mutualism” of states, as Emile Durkheim put it. It is not only less close than usually thought but also politically less consequential.

Interdependence did not produce the world-shaking events of 1989-91. A political event, the failure of one of the world’s two great powers, did that. Had the configuration of international politics not fundamentally changed, neither the unification of Germany nor the war against Saddam Hussein would have been possible. The most important events in international politics are explained by differences in the capabilities of states, not by economic forces operating across states or transcending them. Interdependers, and globalizers even more so, argue that the international economic interests of states work against their going to war. True, they do. Yet if one asks whether economic interests or nuclear weapons inhibit war more strongly, the answer obviously is nuclear weapons.

European great powers prior to World War I were tightly tied together economically. They nevertheless fought a long and bloody war. The United States and the Soviet Union were not even loosely connected economically. They coexisted peacefully through the four-and-a-half decades of the Cold War. The most important causes of peace, as of war, are found in international-political conditions, including the weaponry available to states. Events following the Cold War dramatically demonstrate the political weakness of economic forces. The integration (not just the

interdependence) of the parts of the Soviet Union and of Yugoslavia, with all of their entangling economic interests, did not prevent their disintegration. Governments and people sacrifice welfare and even security to nationalism, ethnicity, and religion.

Political explanations weigh heavily in accounting for international-political events. National *politics*, not international markets, account for many international *economic* developments. A number of students of politics and of economics believe that blocs are becoming more common internationally. Economic interests and market forces do not create blocs; governments do. Without governmental decisions, the Coal and Steel Community, the European Economic Community, and the European Union would not have emerged. The representatives of states negotiate regulations in the European Commission.

The Single-Market Act of 1985 provided that some types of directives would require less than a unanimous vote in the Council of Ministers. This political act cleared the way for passage of most of the harmonization standards for Europe (Dumez and Jeunemaitre 1996, 229). American governments forged NAFTA; Japan fashioned an East and Southeast Asian producing and trading area. The decisions and acts of a country, or a set of countries arriving at political agreements, shape international political and economic institutions. Governments now intervene much more in international economic matters than they did in the earlier era of interdependence. Before World War I, foreign-ministry officials were famed for their lack of knowledge of, or interest in, economic affairs. Because governments have become much more active in economic affairs at home and abroad, interdependence has become less of an autonomous force in international politics.

The many commentators who exaggerate the closeness of interdependence, and even more so those who write of globalization, think in unit rather than in systemic terms. Many small states import and export large shares of their gross domestic products. States with large GDPs do not. They are little dependent on others, while a number of other states heavily depend on them. The terms of political, economic, and military competition are set by the larger units of the international-political system. Through

centuries of multipolarity, with five or so great powers of comparable size competing with one another, the international system was quite closely interdependent. Under bi- and unipolarity the degree of interdependence declined markedly.

States are differentiated from one another not by function but primarily by capability. For two reasons, inequalities across states have greater political impact than inequalities across income groups within states. First, the inequalities of states are larger and have been growing more rapidly. Rich countries have become richer while poor countries have remained poor.

Second, in a system without central governance, the influence of the units of greater capability is disproportionately large because there are no effective laws and institutions to direct and constrain them. They are able to work the system to their advantage, as the petrodollar example showed. I argued in 1970 that what counts are states' capacity to adjust to external conditions and their ability to use their economic leverage for political advantage. The United States was then and is still doubly blessed. It remains highly important in the international economy, serving as a principal market for a number of countries and as a major supplier of goods and services, yet its dependence on others is quite low. Precisely because the United States is relatively little dependent on others, it has a wide range of policy choices and the ability both to bring pressure on others and to assist them.

The "herd" with its capital may flee from countries when it collectively decides that they are politically and economically unworthy, but some countries abroad, like some firms at home, are so important that they cannot be allowed to fail. National governments and international agencies then come to the rescue. The United States is the country that most often has the ability and the will to step in. The agency that most often acts is the IMF, and most countries think of the IMF as the enforcement arm of the U.S. Treasury (Strange, 1996, p.192). Thomas Friedman believes that when the "herd" makes its decisions, there is no appeal; but often there is an appeal, and it is for a bail out organized by the United States.

The international economy, like national economies, operates within a set of rules and institutions. Rules and institutions have to be made and sustained. Britain, to a large extent, provided this service prior to World War I; no one did between the wars, and the United States has done so since. More than any other state, the United States makes the rules and maintains the institutions that shape the international political economy.

Economically, the United States is the world's most important country; militarily, it is not only the most important country, it is the decisive one. Thomas Friedman puts the point simply: The world is sustained by "the presence of American power and America's willingness to use that power against those who would threaten the system of globalization.... The hidden hand of the market will never work without a hidden fist" (1999, 373). But the hidden fist is in full view. On its military forces, the United States outspends the next six or seven big spenders combined. When force is needed to keep or to restore the peace, either the United States leads the way or the peace is not kept. The Cold War militarized international politics. Relations between the United States and the Soviet Union, and among some other countries as well, came to be defined largely in a single dimension, the military one. As the German sociologist Erich Weede has remarked, "National security decision making in some... democracies (most notably in West Germany) is actually penetrated by the United State" (1989, p.225).

Oddly, the end of the Cold War has raised the importance of the American military to new heights. The United States continues to spend at a Cold War pace. In real terms, America's 1995 military budget approximately equalled the 1980 budget, and in 1980 the Cold War reached its peak. That other countries have reduced their budgets more than the United States has heightened the military dominance of one country.

To say that the world is unipolar and that the world is becoming one through globalization is all too suggestive. Some say that the world is not really unipolar because the United States often needs, or at least wants, the help of others (see, e.g., Huntington 1999; Nye 1999). The truth, however, remains: The stronger have many more ways of coping with adversities than the weak have, and the latter

depend on the former much more than the other way around. The United States is the only country that can organize and lead a military coalition, as it did in Iraq and in the Balkans. Some states have little choice but to participate, partly because of the pressure the strong can bring to bear on the weak and partly because of the needs of the latter. Western European countries and Japan are more dependent on Middle Eastern oil than the United States, and Western European countries are more affected by what happens in Eastern Europe than the United States is.

As expected, the beneficiaries resent their benefactor, which leads to talk of righting the imbalance of power. Yet, when the imbalance between one and the rest is great, to catch up is difficult. French leaders, especially, bemoan the absence of multipolarity and call for greater European strength, but one cannot usefully will the end without willing the means. The uneven distribution of capabilities continues to be the key to understanding international politics.

To an increasing extent, American foreign policy relies on military means. America continues to garrison much of the world and to look for ways of keeping troops in foreign countries rather than ways to withdraw them as one might have expected at the Cold War's end. The 1992 draft of the Pentagon's *Defence Planning Guidance* advocated "discouraging the advanced industrialized nations from... even aspiring to a larger global or regional role." The United States may at times want help from others, but not too much help lest it lose its leading position in one part of the world or another. The document, when it was leaked, provoked criticism. In response, emphasis was placed on its being only a draft, but it continues to guide and describe America's policy.

William J. Perry and Ashton B. Carter, respectively the former secretary and assistant secretary of defence, have recently offered the concept of "preventive defence" as a guide to American policy. Preventive defence is conducted by American defence officials engaging in "security and "military dialogue with regional states"; it calls for "a more robust defence to defence program" (1999, 9. 11; cf., Carter, Perry, and Steinbruner, 1992). Bismarck tried to keep Germany's military officials away from their opposite numbers in

foreign countries lest the military's military policy become the country's foreign policy. In part, World War I resulted from his successors' failure to do this. In the United States, Treasury and Defence now make as much or more foreign policy than State does.

In sum, a system of balanced states, the domination of one or some of them is prevented by the reaction of others acting as counterweights. The states of Europe held each other in balance through the first 300 years of the modern state system. In the next 50 years, the United States and the Soviet Union balanced each other, each protecting its sphere and helping to manage affairs within it. Since the end of the Cold War, the United States has been alone in the world; no state or combination of states provides an effective counterweight.

What are the implications for international politics? The more interdependent the system, the more a surrogate for government is needed. Who can supply it? Some Americans believe that the United States benignly provides a necessary minimum of management of the system and that, because of its moderation, other states will continue to appreciate, or at least to accept, its services (see, e.g., Ikenberry 1998/99, pp.77-78). Benign hegemony is, however, something of a contradiction in terms. "One reads about the world's desire for American leadership only in the United States," a British diplomat has remarked. "Everywhere else one reads about American arrogance and unilateralism" (quoted in Huntington 1999, 42).

McGeorge Bundy once described the United States as "the locomotive at the head of mankind, and the rest of the world the caboose" (quoted in Gardner 1995, 178). America's pulling power is at a peak that cannot be sustained, for two main reasons. First, America is a country of 276 million people in a world of six billion. It represents 4.6% of the world's total population. The country's physical capabilities and political will cannot sustain present world burdens indefinitely. Second, other countries may not enjoy being placed at the back of the train. Both friends and foes will react as countries always have to the threatened or real predominance of one from among them by working to right the balance (Waltz 1998). The present condition of international politics is unnatural.

Both the predominance of America and, one may hope, the militarization of international affairs will diminish with time.

Many globalizers believe that the world is increasingly ruled by markets. Looking at the state among states leads to a different conclusion. The main difference between international politics now and earlier is not found in the increased interdependence of states but in their growing inequality. With the end of bipolarity, the distribution of capabilities across states has become extremely lopsided. Rather than elevating economic forces and depressing political ones, the inequalities of international politics enhance the political role of one country. Politics, as usual, prevails over economics.

Conclusions

Globalizers argue that ‘market forces’ (capitalism) are now sweeping all before them. What used to get in the way? The main power in any land apart from the capitalists is the state. Now, the globalizers say, the government has to bow the knee. First they do not explain why the balance between the two basic powers that affect the way we live our daily life has fundamentally changed. Why, if states could pass laws thirty years ago that regulated firm behaviour, can they no longer do it now? In fact they can.

The globalization theorists start with a lazy juxtaposition between capitalist economy and state. Actually the state is a creation of the needs of the capitalist class and is constantly reshaped by their changing needs. In turn the state is itself an economic actor, a power affecting economic behaviour. The two are not polar opposites. They interpenetrate each other. This relationship, which continues to the present day, was fully explained by the Bolsheviks. As Bukharin points out, “The fact is that the very foundation of modern states as definite political entities was caused by economic needs and requirements. The state grew on the economic foundation; it was an expression of economic connections; state ties appeared only as an expression of economic ties.

But the relationship is a contradictory one. If we thus consider the problem in its entirety, and take thereby the objective point of

view, i.e. the point of view of the adaption of modern society to its conditions of existence, we find that there is here a growing discord between the basis of social economy which has become world-wide and the peculiar class structure of society, a structure where the ruling class (the bourgeoisie) itself is split into 'national' groups with contradictory economic interests, groups which being opposed to the world proletariat, are competing among themselves for the division of surplus value created on a world scale.

Capitalists resent the extortions of the state. Nevertheless, the capitalist class needs the state to defend its interests. We have seen above that capital's connection with the state is transformed into an additional economic force. The stronger state secures for its industries the most advantageous trade treaties, and establishes high tariffs that are disadvantageous for the competitors. It helps its finance capital to monopolize the sales markets, the markets for raw materials and particularly the spheres for capital investment. Let's fast forward to the present day. We see this interaction between economic power and state power is still a central feature of modern imperialist rivalry. Hirst and Thompson are correct to, "conclude that globalization in the sense conceived by extreme economic liberals and their radical critics has not happened. The world, far from being an integrated system dominated by ungoverned market forces divides into three major trading blocs dominated by nation states.

In sum, capitalism has come up against its own contradictions, contradictions the Globalizers were anxious to deny existed. Poor capitalist nations such as India and Brazil are using the forum of the World Trade Organization to advance their own national interests. But the whole point of the WTO for world imperialism is that it is used as a steamroller against the interests of poor nations. Put simply, capitalism cannot deliver the goods globalization theory promised. That is why the theory is coming apart at the seams. To conclude, globalization is not a concept that helps us understand the world around us. In part it has been stretched out of shape by theorists who have tried to fill the concept with different contents. It is an ideological construct used to trumpet capitalist victory – to

conceal the crisis-ridden nature of the system and its perpetual failure to meet the needs of the world's working class.

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Toward De-linking From Globalization by the Oppressed and Exploited

Overview

Today most nations celebrate capital as the key to the survival of democracy and economic development. The capitalist dream factories are not only corporate board rooms and production studios of media networks that together work to keep the capitalist dream alive, but a spirit of mass resignation that disables the majority of the population from realizing that capitalism and exploitation are functional equivalents, that globalization of capital is just another name for what Lenin (1951) termed imperialism. As the transnationalization of production takes force across the globe, so-called Third world countries are bound by the contradictory logic of supporting their “national interests” through education while submitting to the “foreign” interests of the transnational elite. This brutish logic of the global bloc has not gone uncontested. The manifestations at Seattle and Porto Alegre, etc. are memorable moments of struggle and defiance against the global ruling corporate elite.

Introduction

The nature of the global political economy and the relative power of actors that compete within it are significant components of any judgments concerning the efficacy of any globalization processes, or distortions engendered by them. Inegalitarian economies have yielded inegalitarian social structures and human dilemmas. Hegemonic interests control the globalization-related growth centric approaches that are very resistant to redistribution. Such tendency creates greater long-term inequalities and at the same time the lack of political and economic will to reduce them. The

consequence is resistance in developing countries that further affect development.

This global hegemonic order (with its structure and ideology) primarily benefits the interests of corporate elites in developed countries and the profit motive of multinationals. What is therefore needed is “responsible globalization” and “inclusion,” or the political and economic will to bring into the globalization order and the new international political economy those now excluded. The new economics is causing misery even in industrialized countries where income inequality and job insecurity are increasing at a steady pace. The dispossession of workers in these developed nations tends to produce resistance to globalization. While the developing state is increasingly being integrated into the world economy through the policies of external hegemony, it is at the same time being marginalized in terms of the benefits of globalization. The economic marginalization of the developing state is equally responsible for the assertion of ethnic, religious, and other irredentist identities that produce civil strife such as transnational terrorism, crippling industrial strikes, and pro-democracy riots, no matter how rowdy.

The Globalization Apostles’ Creed

The theoreticians of globalization claim that its evidence can be seen everywhere: in the home, in the workplace, in the discount stores, in the newspapers and business journals, in the flow of monthly government statistics, and in academic literature. The backlash was on display in Seattle in November 1999, when thousands of protesters took to the streets to demonstrate against the ministerial meeting of the World Trade Organization (WTO). According to these false theorists, a short definition of globalization is “the growing liberalization of international trade and investment, and the resulting increase in the integration of national economies.” Economist David Henderson (1999) of the Melbourne Business School expands the definition into five related but distinct parts:

* the increasing tendency for firms to think, plan, operate, and invest for the future with reference to markets and opportunities across the world as a whole;

* the growing ease and cheapness of international communications, with the Internet the leading aspect;

* the trend toward closer international economic integration, resulting in the diminished importance of political boundaries. This trend is fuelled partly by the first two trends, but even more powerfully by official policies aimed at trade and investment liberalization;

* the apparently growing significance of issues and problems extending beyond national boundaries and the resulting impetus to deal with them through some form of internationally concerted action; and

* the tendency toward uniformity (or “harmonization”), by which norms, standards, rules, and practices are defined and enforced with respect to regions, or the world as a whole, rather than within the bounds of nation-states.

To them, globalization can be seen most clearly in the quickening pace and scope of international commerce. Global exports as a share of global domestic product have increased from 14 percent in 1970 to 24 percent today, and the growth of trade has consistently outpaced growth in global output. These figures were quoted pompously by Alan Greenspan, chairman, Federal Reserve Board of Governors, “Technology and Trade,” Speech before the Dallas Ambassadors forum, 16 Apr. 1999, <http://www.federalreserve.gov/boarddocs/speeches/1999/19990416.htm>. In the United States itself, the ratio of two-way trade and investment income flows as a share of GDP has roughly tripled since the 1960s. Annual global flows of foreign direct investment surged to a record \$ 400 billion in 1997, with 37 percent directed to less developed countries (LDCs), up from 7 percent in 1990 (See United Nations, World Investment Report: 1998 (hereafter WIR:1998), 9. In the 1970s, daily foreign exchange transactions averaged \$ 10 billion to \$ 20 billion; today, the average daily activity reached more than \$ 1.5 trillion according to the United Nations, Human Development Report: 1999, p. 25.

The expansion of international trade and foreign investment was not the result of some grand design imposed on the global economy. It was actually an ad hoc, decentralized, bottom-up process resulting from two developments of the 1980s: the collapse of global communism and the demise of the Third World's romance with import substitution. The fall of the Berlin Wall and the final disintegration of the Soviet empire two years later released 400 million people from the grip of centrally commanded and essentially closed economic systems. Meanwhile, the debt crisis of 1982 and the resulting "Lost Decade" of the 1980s imposed a painful hangover on many Third World nations that had tried and failed to reach prosperity by shunning foreign capital and by protecting and subsidizing domestic "infant" industries. Beginning with Chile in the mid-1970s and China later that decade, LDCs from Mexico and Argentina to India more recently have been opening their markets and welcoming foreign investment. The globalization of the last decade has not been the result of a blind faith in markets imposed from above but of the utter exhaustion of any alternative vision.

In contrast to those failed policies, certain countries managed to dramatically improve their living standards by deregulating their domestic economies and opening up to global markets. The Four Tigers of East Asia—Hong Kong, Singapore, Taiwan, and South Korea—are the most prominent examples. From typical Third World poverty in the 1950s, each has achieved a standard of living today equivalent to that of industrialized nations, with per-capita incomes in Hong Kong and Singapore rivalling those of the wealthiest Western nations.

The relative success of openness as a policy, compared with protectionism, has spurred a global movement toward unilateral trade liberalization. Since the mid-1980s, sixty LDCs have unilaterally lowered their barriers to trade. LDCs have flocked to join the WTO. Today more than three-quarters of its members are LDCs, with another twenty waiting in line to join (OECD, 1999, p.45). The move to trade liberalization has been accompanied by investment liberalization, with more than 90 percent of national policy changes in the last decade being in the direction of more

openness toward foreign investment (United Nations, WIR:1998, p. 57).

As if distorting reality is a virtue, the claim goes that there are at least three fundamental blessings of globalization on nations that embrace it: faster economic growth, reductions in poverty, and more fertile soil for democracy. They repeat noisily that the greatest beneficiaries of globalization are the long-suffering consumers in those nations that had been “protected” from global competition. Globalization expands the range of choice, improves product quality, and exerts downward pressure on prices. It delivers an immediate gain to workers by raising the real value of their wages. It transfers wealth from formerly protected producers to newly liberated consumers, with the gains to consumers exceeding the loss to producers because the deadweight losses to the economy are recaptured through efficiency gains.

Under autarky, consumers are often cursed with poor service and overpriced and low-quality goods because there is no real competition to spur domestic producers to meet the demands of their consumers. This explains the poor quality of cars sold by protected domestic producers in such places as India, where the standard Ambassador car is based on the Morris Oxford, a make of car that went out of style in Britain four decades ago.

LDCs have the most to gain from engaging in the global economy. First, they gain access to much larger markets, both for imports and exports. On the import side, consumers gain access to a dramatically larger range of goods and services, raising their real standard of living. Domestic producers gain access to a wider range and better quality of intermediate inputs at lower prices. On the export side, domestic industries can enjoy a quantum leap in economies of scale by serving global markets rather than only a confined and underdeveloped domestic market.

Second, LDCs that open themselves up to international trade and investment gain access to a much higher level of technology. This confers on LDCs a “latecomer’s advantage”: rather than bearing the cost of expensive, up-front research and development, poor countries can import the technology off the shelf. They can incorporate new technology by importing capital equipment that

embodies the latest advances and computers with the latest software. Subsidiaries of multinational companies also bring with them new production techniques and employee training that bolster the host nation's stock of human capital.

Third, engagement in the global economy provides capital to fuel future growth. Most LDCs are people-rich and capital-poor. In a few countries in Asia, the level of domestic savings has been high enough to finance domestic investment, but typically the domestic pool of savings in an LDC is inadequate. Global capital markets can fill the gap, allowing poor nations to accelerate their pace of growth. In 1998, \$ 166 billion in foreign direct investment flowed from the advanced economies to the less developed. A poor country that closes its door or fails to maintain sound domestic policies will forfeit the immense benefits this capital can bring.

Fourth, openness to the global economy can provide the infrastructure a developing economy needs for growth. Foreign capital can finance more traditional types of infrastructure, such as port facilities, power generation, and an internal transportation network, just as British capital helped to finance America's network of canals and railroads in the nineteenth century. But just as importantly, multinational companies can provide an infrastructure of what could be called "enabling services," such as telecommunications, insurance, accounting, and banking. As China and India have realized, a protected and inefficient service sector weighs down an entire economy, retarding the development of manufacturing and other industries. LDCs need to shed the mistaken idea that opening their economies up to international service competition is a "concession" to be made to gain access to farm and manufacturing markets in the advanced economies. In reality, liberalizing their service sectors by opening them to foreign competition is a favour LDCs can do for themselves.

Fifth, engagement in the global economy encourages governments to follow more sensible economic policies. Sovereign nations remain free to follow whatever economic policies their governments choose, but globalization has raised the cost that must be paid for bad policies. With capital more mobile than ever, countries that insist on following anti-market policies will find

themselves being dealt out of the global competition for investment. As a consequence, nations have a greater incentive to choose policies that encourage foreign investment and domestic, market-led growth. New York Times columnist Thomas Friedman, in *The Lexus and the Olive*, his 1999 book on globalization, describes these pro-growth policies as “the Golden Straitjacket.” The increasingly manifest rewards of engagement encourage nations to unilaterally restrict the scope of government action. As Friedman explains:

To fit into the Golden Straitjacket a country must either adopt, or be seen as moving toward, the following golden rules: making the private sector the primary engine of its economic growth, maintaining a low rate of inflation and price stability, shrinking the size of its state bureaucracy, maintaining as close to a balanced budget as possible, if not a surplus; eliminating and lowering tariffs on imported goods, removing restrictions on foreign investment, getting rid of quotas and domestic monopolies, increasing exports, privatizing state-owned industries and utilities, deregulating capital markets, making its currency convertible, opening its industries, stock, and bond markets to direct foreign ownership and investment, deregulating its economy to promote as much domestic competition as possible, eliminating government corruption, subsidies and kickbacks as much as possible, opening its banking and telecommunications systems to private ownership and competition, and allowing its citizens to choose from an array of competing pension options and foreign-run pension and mutual funds (Friedman, 1999, pp. 86—87). While globalization may confront government officials with more difficult choices, the result for their citizens is greater individual freedom. In this sense, globalization acts as a check on governmental power, making it more difficult for governments to abuse the freedom and property of their citizens.

Any casual survey of the world today will confirm that nations relatively open to trade tend to be more prosperous than nations that are relatively closed. The wealthiest nations and regions of the world—western Europe, the United States, Canada, Japan, Hong Kong, Taiwan, South Korea, Singapore—are all trade-orientated.

Their producers, with a few notable exceptions, must compete against other multinational producers in the global marketplace. In contrast, the poorest regions of the world—the Indian subcontinent and sub-Saharan Africa—remain (despite recent, halting reforms) the least friendly to foreign trade. And those countries that have moved decisively toward openness—Chile, China, and Poland, among others—have reaped real (and, in the case of China, spectacular) gains in living standards.

Systematic studies confirm a strong link between openness and economic growth. One problem with these cross-country studies of growth and trade is that trade liberalization is seldom an isolated event. LDCs liberalize in the context of broader economic reforms, which often include selling state-owned industries; reducing government taxation, spending, and borrowing; and deregulating domestic prices and production. This poses the challenge of determining the source of faster growth. Another methodological challenge is in measuring openness. There is no standard statistical measure of a nation's openness. What is clear is a general correlation between openness, under various definitions, and economic performance.

A study of 117 countries by Jeffrey Sachs and Andrew Warner (1995) found that open economies grew much faster than closed economies. Specifically, the authors found that the developing countries that maintained open economies throughout the 1970s and '80s grew at an average annual rate of 4.5 percent, compared with an average growth rate of 0.7 percent for closed economies. As a result, the open developing economies tended to converge toward the slower-growing rich economies, while relatively closed economies did not converge.

A more recent study, by Jeffrey Frankel and David Romer (1999, 379—99) produced similar results. The authors found that trade exerts “a qualitatively large and robust E positive effect on income.” In their study of 150 countries, they concluded that increasing the ratio of trade to gross domestic product by 1 percentage point raises income per person by between 0.5 and 2 percent. The Organization for Economic Cooperation and Development (OECD) concluded that nations relatively open to

trade grew on average twice as fast as those relatively closed to trade (OECD, 1998, p. 10).

To the wretched of the earth, the apostles of globalization like K. Deininger and L. Squire in “A New Data Set Measuring Income Inequality,” *World Bank Economic Review* 10:3, 565—91, claim that it offers hope to the world’s poorest. Just as more open trade tends to promote economic growth, growth in turn leads to poverty reduction. A World Bank study found that periods of sustained economic growth are almost always accompanied by reductions in poverty. Specifically, the study found that poverty fell in 77 of the 88 decade- long periods of growth covered by the survey.

The greatest reductions in poverty within the period were said to have occurred in nations that moved decisively toward openness and domestic liberalization. The most spectacular gains have been realized in East Asia, as the claim goes. Between 1993 and ‘96, the number of people living in absolute poverty—what the World Bank defines as less than \$ 1 per day— declined in the region from 432 million to 267 million. In China alone, the number of poor people so defined fell by 150 million between 1990 and ‘97, as published in. World Bank, Social Indicators, www.worldbank.org/poverty/data/trends/. The 1997—98 financial crisis that began in East Asia brought a temporary halt to this progress, but poverty rates in the hardest-hit countries—Korea, Thailand, and Indonesia—had begun to decline back toward their pre-crisis levels. Globally, the number of people living in absolute poverty had declined in the 1990s to an estimated 1.2 billion in 1998.

The same World Bank propaganda document states that globalization facilitates the spread of modern medicine, which has helped to extend life expectancy and reduce infant mortality in rich and poor countries alike. On average, life expectancy in developing countries rose from 55 years in 1970 to 65 years in 1997. This good news is tempered by the fact that life expectancy has actually fallen in thirty-three LDCs since 1990, in large part because of AIDS epidemics, and remains far behind the OECD average of 78 years. Infant mortality rates in Asia and sub-Saharan Africa have fallen by about 10 percent since 1990.

The proponents of this arrogance claim that opponents of globalization try to blame poverty in the world on the spread of trade and investment liberalization. But those regions where poverty and inequality have been the most visible and intransigent for decades—Latin America, sub-Saharan Africa, and the Indian subcontinent—for most of that time self-consciously followed policies of economic centralization and isolation. By raising the general standard of living, free trade helps people achieve higher levels of education and to gain access to alternative sources of information. It helps to create a larger and more independently minded middle class that can form the backbone of more representative forms of government. The wealth created from expanded trade can help to nurture and sustain civil institutions that can offer ideas and influence outside government. Engagement in the global economy exposes citizens to new ideas and new social and business arrangements. In his book *Business as a Calling*, Michael Novak (1996, p.161) explains the linkage with what he calls “the wedge theory”:

Capitalist practices, runs the theory, bring contact with the ideas and practices of the free societies, generate the economic growth that gives political confidence to a rising middle class, and raise up successful business leaders who come to represent a political alternative to military or party leaders. In short, capitalist firms wedge a democratic camel’s nose under the authoritarian tent. The wedge theory seems to be working in practice: As a general rule, the citizens of nations that are more open economically tend to enjoy other liberties as well. The relationship can be confirmed by comparing cross-country data measuring economic openness and political/civil liberties. For the political and civil data, I have used recent ratings from Freedom House, which classifies the nations of the world as free, partly free, or not free. Then I compared the Freedom House scores with international economic freedom as measured in the study *Economic Freedom of the World: 1998/1999 Interim Report*, written by James Gwartney and Robert Lawson. The authors rated nations according to their level of taxation on trade, the size of the trade sector, exchange rate

controls, and restraints on capital mobility, with a rating of 10 representing maximum openness.

Comparing these two sets of data, as the claim goes, confirms that nations that respect human rights tend to be relatively open to commerce with the rest of the world. Nations that are classified by Freedom House as being free scored an average of 7.9 on the scale of economic openness. Those that are partly free scored a less open 6.7, and those that are not free scored the lowest, 5.4. If we start at the other axis we find that, as the academic flunkies assert, of those countries in the top third of the Gwartney-Lawson (See “Economic Freedom of the World: 1998/1999” Interim Report, Vancouver, B.C.: Fraser Institute, 1998, pp. 76—78) scale of economic openness, 84 percent earned a political/civil ranking of “free.” Of those in the middle third according to economic openness, 57 percent were free, but in the bottom third, only 22 percent were free. In other words, citizens who enjoy the freedom to engage in international commerce are about four times more likely to be free from political and civil oppression than those who do not enjoy such freedom.

They rush to conclude that globalization and the growth it spurs have contributed to expanded political and civil freedom in a number of countries. Taiwan and South Korea were essentially dictatorships two decades ago, but they are now governed by elected legislatures and presidents. Political debate in those countries is robust, and civil liberties are more secure than ever. A share of the credit for political reform must be given to economic liberalization and the educated middle class it helped to create and nurture. In Latin America, the movement toward economic liberalization has been intertwined with a flowering of representative government. Chile, a leader in economic reform, now enjoys one of the region’s most stable democracies. A decade of dramatic economic reform in Mexico has helped lay the foundation for a more open political system, including Mexico’s first competitive presidential primary within the Institutional Revolutionary Party.

The theoreticians of neoliberal global imperialism, as if caught in lies telling, warm up rationalizations by claiming that sceptics of

the link between economic and political reform routinely point to India and Singapore to refute the thesis. These countries, as they hasten to argue, are clearly outliers in the scatterplot: Singapore is one of the world's most open economies but its government remains authoritarian, while India remains relatively closed economically yet it is ruled by democracy. Exceptions, however, do not negate a clear trend. And even these two notable exceptions seem to be migrating toward the trend line, with India opening up to trade and foreign investment since its balance of payments crisis in 1991, and the Singapore government gradually loosening its controls on civil society.

Globalization for Whom?

Globalization has brought little but good news to those with the products, skills, and resources to market worldwide. But does it also work for the world's, oppressed, exploited and poor? That is the central question around which the debate over globalization—in essence, free trade and free flows of capital—revolves. Antiglobalization protesters may have had only limited success in blocking world trade negotiations or disrupting the meetings of the International Monetary Fund (IMF), but they have irrevocably altered the terms of the debate. Poverty is now *the* defining issue for both sides. The captains of the world economy have conceded that progress in international trade and finance has to be measured against the yardsticks of poverty alleviation and sustainable development.

For most of the world's developing countries, the 1990s were a decade of frustration and disappointment. The economies of sub-Saharan Africa, with few exceptions, stubbornly refused to respond to the medicine meted out by the World Bank and the IMF. Latin American countries were buffeted by a never-ending series of boom-and-bust cycles in capital markets and experienced growth rates significantly below their historical averages. Most of the former socialist economies ended the decade at *lower* levels of per-capita income than they started it—and even in the rare successes, such as Poland, poverty rates remained higher than under

communism. East Asian economies such as South Korea, Thailand, and Malaysia, which had been hailed previously as “miracles,” were dealt a humiliating blow in the financial crisis of 1997. That this was also the decade in which globalization came into full swing is more than a minor inconvenience for its advocates. If globalization is such a boon for poor countries, why so many setbacks?

Globalizers deploy two counter-arguments against such complaints. One is that global poverty has actually decreased. The reason is simple: while *most* countries have seen lower income growth, the world’s two largest countries, China and India, have had the opposite experience. (Economic growth tends to be highly correlated with poverty reduction.) China’s growth since the late 1970s—averaging almost 8 percent per annum per capita—has been nothing short of spectacular. India’s performance has not been as extraordinary, but the country’s growth rate has more than doubled since the early 1980s—from 1.5 percent per capita to 3.7 percent. These two countries house more than half of the world’s poor, and their experience is perhaps enough to dispel the collective doom elsewhere.

The second counter-argument is that it is precisely those countries that have experienced the greatest integration with the world economy that have managed to grow fastest and reduce poverty the most. A typical exercise in this vein consists of dividing developing countries into two groups on the basis of the increase in their trade—“globalizers” versus “non-globalizers”—and to show that the first group did much better than the second. Here too, China, India, and a few other high performers like Vietnam and Uganda are the key exhibits for the pro-globalization argument. The intended message from such studies is that countries that have the best shot at lifting themselves out of poverty are those that open themselves up to the world economy.

How we read globalization’s record in alleviating poverty hinges critically, therefore, on what we make of the experience of a small number of countries that have done well in the last decade or two—China in particular. In 1960, the average Chinese expected to live only 36 years. By 1999, life expectancy had risen to 70 years, not far below the level of the United States. Literacy has risen from

less than 50 percent to more than 80 percent. Even though economic development has been uneven, with the coastal regions doing much better than the interior, there has been a striking reduction in poverty rates almost everywhere.

What does this impressive experience tell us about what globalization can do for poor countries? There is little doubt that exports and foreign investment have played an important role in China's development. By selling its products on world markets, China has been able to purchase the capital equipment and inputs needed for its modernization. And the surge in foreign investment has brought much-needed managerial and technical expertise. The regions of China that have grown fastest are those that took the greatest advantage of foreign trade and investment.

But look closer at the Chinese experience, and you discover that it is hardly a poster child for globalization. China's economic policies have violated virtually every rule by which the proselytizers of globalization would like the game to be played. China did *not* liberalize its trade regime to any significant extent, and it joined the World Trade Organization (WTO) only last year; to this day, its economy remains among the most protected in the world. Chinese currency markets were *not* unified until 1994. China resolutely refused to open its financial markets to foreigners, again until very recently. Most striking of all, China achieved its transformation without adopting private-property rights, let alone privatizing its state enterprises. China's policymakers were practical enough to understand the role that private incentives and markets could play in producing results. But they were also smart enough to realize that the solution to their problems lay in institutional innovations suited to the local conditions—the household responsibility system, township and village enterprises, special economic zones, partial liberalization in agriculture and industry—rather than in off-the-shelf blueprints and Western rules of good behaviour.

The remarkable thing about China is that it has achieved integration with the world economy *despite* having ignored these rules—and indeed because it did so. If China were a basket case today, rather than the stunning success that it is, officials of the WTO and the World Bank would have fewer difficulties fitting it

within their worldview than they do now. China's experience may represent an extreme case, but it is by no means an exception. Earlier successes such as South Korea and Taiwan tell a similar story. Economic development often requires unconventional strategies that fit awkwardly with the ideology of free trade and free capital flows. South Korea and Taiwan made extensive use of import quotas, local-content requirements, patent infringements, and export subsidies—all of which are currently prohibited by the WTO. Both countries heavily regulated capital flows well into the 1990s. India managed to increase its growth rate through the adoption of more pro-business policies, despite having one of the world's most protectionist trade regimes. Its comparatively mild import liberalization in the 1990s came a decade *after* the onset of higher growth in the early 1980s. And India has *yet* to open itself up to world financial markets—which is why it emerged unscathed from the Asian financial crisis of 1997.

By contrast, many of the countries that *have* opened themselves up to trade and capital flows with abandon have been rewarded with financial crises and disappointing performance. Latin America, the region that adopted the globalization agenda with the greatest enthusiasm in the 1990s, has suffered rising inequality, enormous volatility, and economic growth rates significantly below those of the post-World War II decades. Argentina represents a particularly tragic case. It tried harder in the 1990s than virtually any country to endear itself to international capital markets, only to be the victim of an abrupt reversal in “market sentiment” by the end of the decade. The Argentine strategy may have had elements of a gamble, but it was solidly grounded in the theories expounded by U.S.-based economists and multilateral agencies such as the World Bank and the IMF. When Argentina's economy took off in the early 1990s after decades of stagnation, the reaction from these quarters was not that this was puzzling—it was that reform pays off.

What these countries' experience tells us, therefore, is that while global markets are good for poor countries, the rules according to which they are being asked to play the game are often not. Caught between WTO agreements, World Bank strictures, IMF conditions, and the need to maintain the confidence of financial markets,

developing countries are increasingly deprived of the room they need to devise their own paths out of poverty. They are being asked to implement an agenda of institutional reform that took today's advanced countries generations to accomplish. The United States, to take a particularly telling example, was hardly a paragon of free-trade virtue while catching up with and surpassing Britain. In fact, U.S. import tariffs during the latter half of the nineteenth century were higher than in all but a few developing countries today. Today's rules are not only impractical, they divert attention and resources from more urgent developmental priorities. Turning away from world markets is surely not a good way to alleviate domestic poverty—but countries that have scored the most impressive gains are those that have developed their *own* version of the rulebook while taking advantage of world markets.

The regulations that developing nations confront in those markets are highly asymmetric. Import barriers tend to be highest for manufactured products of greatest interest to poor countries, such as garments. The global intellectual-property-rights regime tends to raise prices of essential medicines in poor countries.

But the disconnect between trade rules and development needs is nowhere greater than in the area of international labour mobility. Thanks to the efforts of the United States and other rich countries, barriers to trade in goods, financial services, and investment flows have now been brought down to historic lows. But the one market where poor nations have something in abundance to sell—the market for labour services—has remained untouched by this liberalizing trend. Rules on cross-border labour flows are determined almost always unilaterally (rather than multilaterally as in other areas of economic exchange) and remain highly restrictive. Even a small relaxation of these rules would produce huge gains for the world economy, and for poor nations in particular.

Consider, for example, instituting a system that would allot temporary work permits to skilled and unskilled workers from poorer nations, amounting to, say, 3 percent of the rich countries' labour force. Under the scheme, these workers would be allowed to obtain employment in the rich countries for a period of three to five years, after which they would be expected to return to their

home countries and be replaced by new workers. (While many workers, no doubt, will want to remain in the host countries permanently, it would be possible to achieve acceptable rates of return by building specific incentives into the scheme. For example, a portion of workers' earnings could be withheld until repatriation takes place. Or there could be penalties for home governments whose nationals failed to comply with return requirements: sending countries' quotas could be reduced in proportion to the numbers who fail to return.) A back-of-the-envelope calculation indicates that such a system would easily yield \$200 billion of income annually for the citizens of developing nations—vastly more than what the existing WTO trade agenda is expected to produce. The positive spillovers that the returnees would generate for their home countries—the experience, entrepreneurship, investment, and work ethic they would bring back with them—would add considerably to these gains. What is equally important, the economic benefits would accrue directly to workers from developing nations. There would be no need for “trickle down.”

If the political leaders of the advanced countries have chosen to champion trade liberalization but not international labour mobility, the reason is not that the former is popular with voters at home while the latter is not. They are *both* unpopular. When asked their views on trade policy, fewer than one in five Americans reject import restrictions. In most advanced countries, including the United States, the proportion of respondents who want to expand imports tends to be about the same or lower than the proportion who believes immigration is good for the economy. The main difference seems to be that the beneficiaries of trade and investment liberalization have managed to become politically effective. Multinational firms and financial enterprises have been successful in setting the agenda of multilateral trade negotiations because they have been quick to see the link between enhanced market access abroad and increased profits at home. Cross-border labour flows, by contrast, usually have not had a well-defined constituency in the advanced countries. Rules on foreign workers have been relaxed only in those rare instances where there has been intense lobbying from special interests. When Silicon Valley firms

became concerned about labour costs, for example, they pushed Congress hard to be allowed to import software engineers from India and other developing nations.

It will take a lot of work to make globalization's rules friendlier to poor nations. Leaders of the advanced countries will have to stop dressing up policies championed by special interests at home as responses to the needs of the poor in the developing world. Remembering their own history, they will have to provide room for poor nations to develop their own strategies of institution-building and economic catch-up. For their part, developing nations will have to stop looking to financial markets and multilateral agencies for the recipes of economic growth. Perhaps most difficult of all, economists will have to learn to be more humble!

The reason is not far to seek. Globalization is a fashionable but vague term. The ambiguity is owed largely to the mystification of globalization by its enthusiastic proponents. Definitions offered by these enthusiasts disguise more than they reveal. In their bid to define globalization, David Held and his colleague Anthony McGrew have paraphrased some leading scholars as follows:

"Globalization has been variously conceived as action at a distance (whereby the actions of social agents in one locale can come to have significant consequences for 'distant others'); time-space compression (referring to the way in which instantaneous electronic communication erodes the constraints of distance and time on social organization and integration); accelerating interdependence (understood as the intensification of enmeshment among national economies and societies such that events in one country impact directly on others); a shrinking world (the erosion of borders and geographical barriers to socio-economic activity); and, among other concepts, global integration, the reordering of interregional power relations, consciousness of the global condition and the intensification of interregional interconnectedness."

Having reworded other scholars, Messrs Held and McGrew coin their own definition. Globalization, in their view, "denotes much more than a stretching of social relations and activities across regions and frontiers." Unfortunately, what they offer as definition hardly improves our understanding. Globalization, they suggest, is a

“growing magnitude or intensity of global flows such that states and societies become increasingly enmeshed in worldwide systems and networks of interaction.”

And why has globalization come about? The obvious answer is new information and communication technology. Stanley Hoffman elaborates the technological logic. Globalization, he says, has three forms. “First is economic globalization, which results from recent revolutions in technology, information, trade, foreign investment, and international business...Next comes cultural globalization. It stems from the technological revolution and economic globalization...Finally there is political globalization, a product of the other two.”

Unlike post-modernist and liberal mystifications to disguise globalization as something ‘integrating’, inclusive, or beneficial, I argue that all these fashionable characteristics attributed to globalization are baseless. Globalization, to quote Robert McChesney, is capitalism “constituted on a transnational basis, not only in the trade of goods and services but, even more important, in the flow of capital and the trade in currencies and financial instruments” whereby, to quote Boyd-Barrett, the “underlying character of globalization is similar to that of imperialism. Both are narratives of domination and exploitation.”

People like Held and McGrew, who self-servingly describe themselves as ‘globalists’, refuse to acknowledge unequal power relations embedded in the ‘growing magnitude and intensity of global flows’. The metropolitan West continues to hold exploitative sway over the peripheral rest. Here are some of the facts:

“Economic globalization: There are some 65,000 MNCs in the world, with 860,000 affiliates. Only 200 transnational mega corporations, 96 percent of which are headquartered in eight rich countries, have a combined volume of sales that is higher than the GDP of all the countries in the globe except the nine largest. From 1972 to 1995, \$4.5 trillion was transferred to North from South. Between, 1990-98, \$700 billion left Latin America and ended up in Europe and USA”.

Cultural globalization: The global media, often presented as the epitome of globalization, is the province of fewer than one hundred

firms. Sixty-eight percent of global media exports originate from the US. The UK is a distant runner-up (9 percent), but British export is still three times as much as its nearest rivals, France and Australia. Cultural artefacts contribute some \$110 billion to American GDP and £11.6 billion in the case of the UK.

- Political globalization: From G8 to WTO, all international bodies worth their salt strengthen the US' global hegemony.
- NATO reinforces the US position as global cop. What's so new here?

Globalisation = cultural, political & economic imperialism

Definition of imperialism = a policy of extending a country's power and influence through colonization, use of military force, or other means (Oxford Dictionary). Whether you believe globalization fits this definition comes down to your belief about what globalization entails. If globalization is purely down to the vast technological advances that have taken place over the last two or three decades (e.g. Satellite TV, internet etc.), you need to ask yourself if any particular country or culture dominates that global flow of information. If you accept globalization involves political and economic expansion or integration (through bodies such as the IMF, World Bank, G8 etc.), you need to ask yourself if these developments and supranational institutions favour certain national or cultural (and economic) interests. While considering this, perhaps you might also consider whether certain countries/cultures have systematically used military supremacy to ensure the spread of their cultural values at the expense of other, more localized, cultures, economies and political institutions. Whether you think these developments are 'good' or 'bad' is a moral argument, but I would suggest globalization clearly involves cultural, political, economic, and yes, military imperialism, if we are to accept a literal definition of the term.

There is a huge discrepancy between the measurable result of economic globalization and its proposed benefits. Neoliberal policies have unarguably generated massive wealth for some people, but most crucially, they have been unable to benefit those living in

extreme poverty who are most in need of financial aid. Excluding China, annual economic growth in developing countries between 1960 and 1980 was 3.2%. This dropped drastically between 1980 and 2000 to a mere 0.7 %. This second period is when neoliberalism was most prevalent in global economic policy. (Interestingly, China was not following the neoliberal model during these periods, and its economic growth per capita grew to over 8% between 1980 and 2000.)

Neoliberalism has also been unable to address growing levels of global inequality. Over the last 25 years, the income inequalities have increased dramatically, both within and between countries. Between 1980 and 1998, the income of richest 10% as share of poorest 10% became 19% more unequal; and the income of richest 1% as share of poorest 1% became 77% more unequal (again, not including China).

The shortcomings of neoliberal policy are also apparent in the well documented economic disasters suffered by countries in Latin America and South Asia in the 1990s. These countries were left with no choice but to follow the neoliberal model of privatization and deregulation, due to their financial problems and pressure from the IMF. Countries such as Venezuela, Cuba, Argentina and Bolivia have since rejected foreign corporate control and the advice of the IMF and World Bank. Instead they have favoured a redistribution of wealth, the re-nationalization of industry and have prioritized the provision of healthcare and education. They are also sharing resources such as oil and medical expertise throughout the region and with other countries around the world.

The dramatic economic and social improvement seen in these countries has not stopped them from being demonized by the US. Cuba is a well-known example of this propaganda. Deemed to be a danger to 'freedom and the American way of life', Cuba has been subject to intense US political, economic and military pressure in order to tow the neoliberal line. Washington and the mainstream media in the US have recently embarked on a similar propaganda exercise aimed at Venezuela's president Chavez. This over-reaction by Washington to 'economic nationalism' is consistent with their foreign policy objectives which have not changed significantly for

the past 150 years. Securing resources and economic dominance has been and continues to be the USA’s main economic objective.

Globalization is a Huge Problem

Globalization seems to be looked on as an unmitigated “good” by bourgeois economic theorists. Unfortunately, these economists seem to be guided by their badly flawed models; they miss real-world problems. In particular, they miss the point that the world is finite. We don’t have infinite resources, or unlimited ability to handle excess pollution. So we are setting up a “solution” that is at best temporary. These economists also tend to look at results too narrowly—from the point of view of a business that can expand, or a worker who has plenty of money, even though these users are not typical. In real life, the business are facing increased competition, and the worker may be laid off because of greater competition. The following is a list of reasons why globalization is not living up to what was promised, and is, in fact, a very major problem as presented by Gail Tverberg on February 22, 2013.

1. Globalization uses up finite resources more quickly. As an example, China joined the world trade organization in December 2001. In 2002, its coal use began rising rapidly (Figure 7, below).

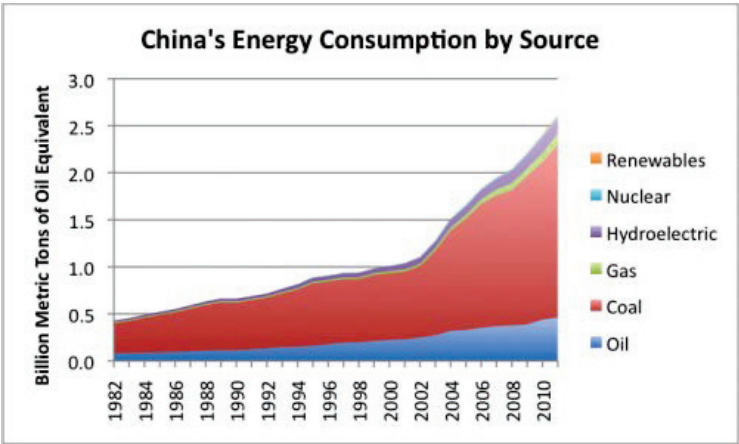


Figure 7. China’s energy consumption by source, based on BP’s Statistical Review of World Energy data.

In fact, there is also a huge increase in world coal consumption. India's consumption is increasing as well, but from a smaller base.

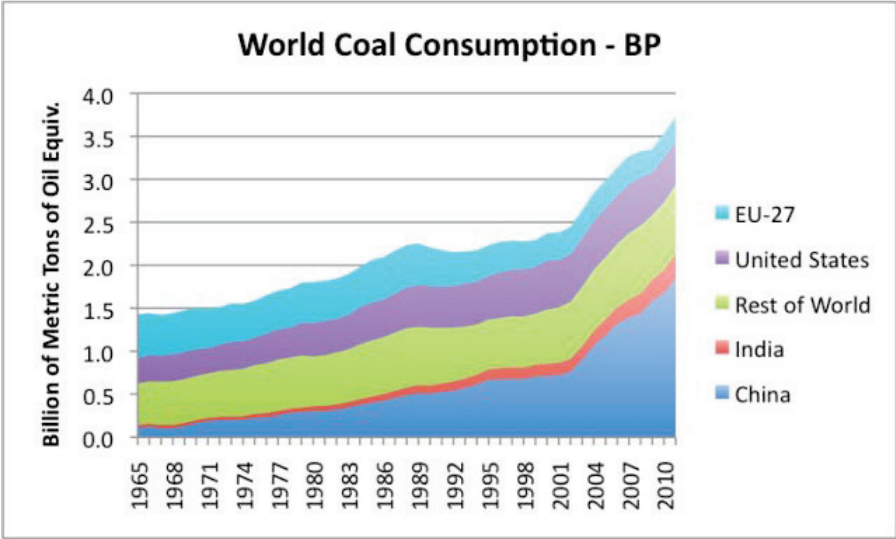


Figure 8. World coal consumption based on BP's 2012 Statistical Review of World Energy

2. Globalization increases world carbon dioxide emissions.

If the world burns its coal more quickly, and does not cut back on other fossil fuel use, carbon dioxide emissions increase. Figure 3 shows how carbon dioxide emissions have increased, relative to what might have been expected, based on the trend line for the years prior to when the Kyoto protocol was adopted in 1997.

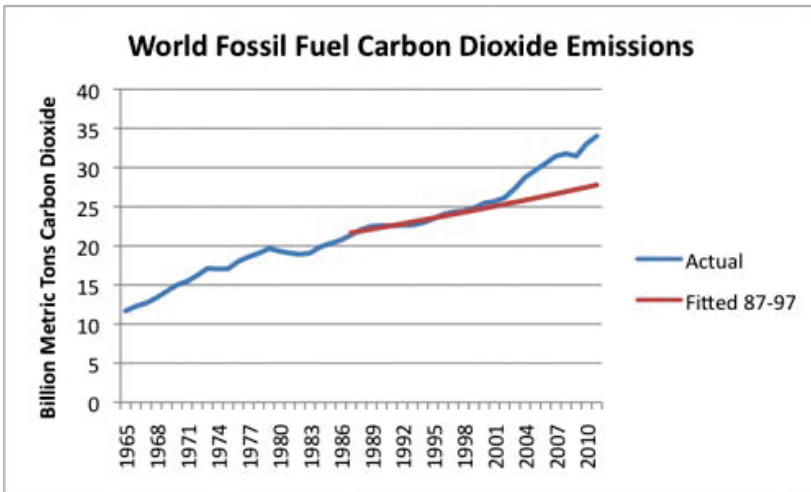


Figure 9. Actual world carbon dioxide emissions from fossil fuels, as shown in BP's 2012 *Statistical Review of World Energy*. Fitted line is expected trend in emissions, based on actual trend in emissions from 1987-1997, equal to about 1.0% per year.

3. Globalization makes it virtually impossible for regulators in one country to foresee the worldwide implications of their actions. Actions which would seem to reduce emissions for an individual country may indirectly encourage world trade, ramp up manufacturing in coal-producing areas, and increase emissions over all.

4. Globalization acts to increase world oil prices.

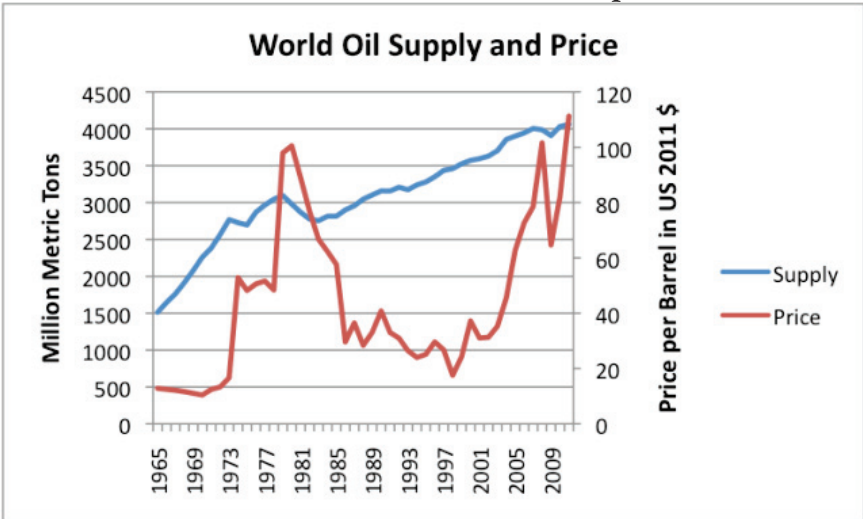


Figure 10. World oil supply and price, both based on BP’s 2012 *Statistical Review of World Energy* data. Updates to 2012\$ added based on EIA price and supply data and BLS CPI urban.

The world has undergone two sets of oil price spikes. The first one, in the 1973 to 1983 period, occurred after US oil supply began to decline in 1970 (Figure 4, above and Figure 5 below).

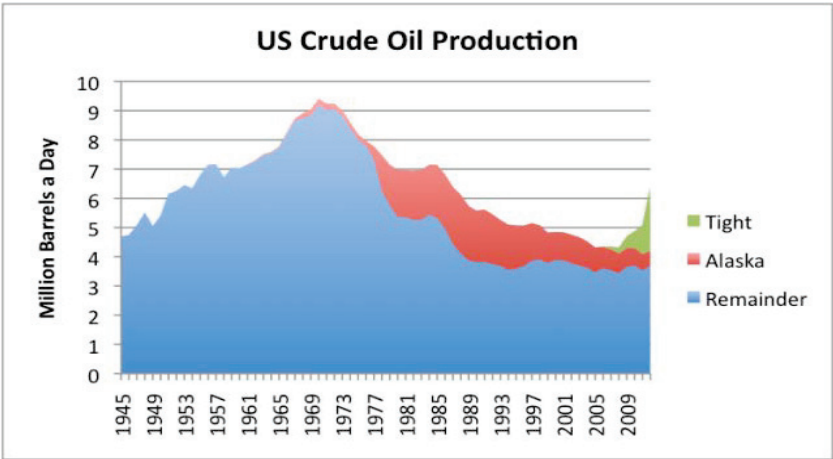


Figure 11. US crude oil production, based on EIA data. 2012 data estimated based on partial year data. Tight oil split is

author's estimate based on state distribution of oil supply increases.

After 1983, it was possible to bring oil prices back to the \$30 to \$40 barrel range (in 2012\$), compared to the \$20 barrel price (in 2012\$) available prior to 1970. This was partly done partly by ramping up oil production in the North Sea, Alaska and Mexico (sources which were already known), and partly by reducing consumption. The reduction in consumption was accomplished by cutting back oil use for electricity, and by encouraging the use of more fuel-efficient cars.

Now, since 2005, we have high oil prices back, but we have a much worse problem. The reason the problem is worse now is partly because oil supply is not growing very much, due to limits we are reaching, and partly because demand is exploding due to globalization. If we look at world oil supply, it is virtually flat. The United States and Canada together provide the slight increase in world oil supply that has occurred since 2005. Otherwise, supply has been flat since 2005 (Figure 6, below). What looks like a huge increase in US oil production in 2012 in Figure 5 looks much less impressive, when viewed in the context of world oil production in Figure 6.

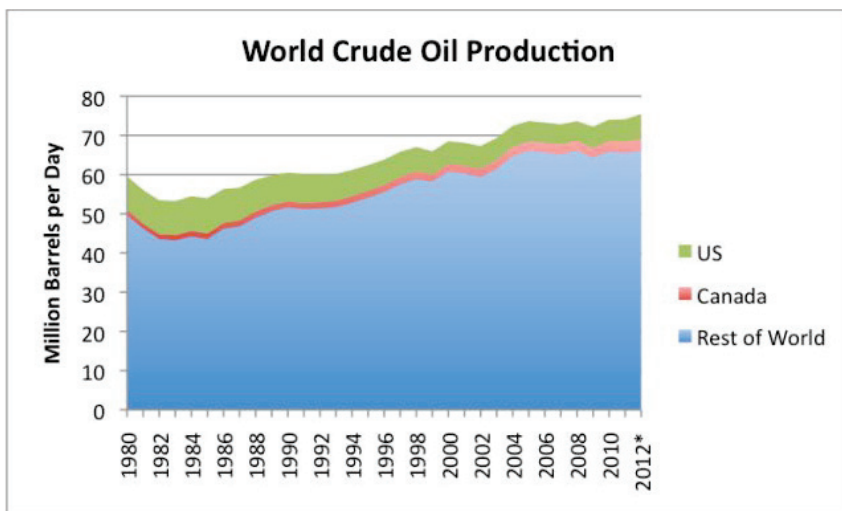


Figure 13. World crude oil production based on EIA data. 2012 estimated based on data through October.

Part of our problem now is that with globalization, world oil demand is rising very rapidly. Chinese buyers purchased more cars in 2012 than did European buyers. Rapidly rising world demand, together with oil supply which is barely rising, pushes world prices upward. This time, there also is no possibility of a dip in world oil demand of the type that occurred in the early 1980s. Even if the West drops its oil consumption greatly, the East has sufficient pent-up demand that it will make use of any oil that is made available to the market.

Adding to our problem is the fact that we have already extracted most of the inexpensive to extract oil because the “easy” (and cheap) to extract oil was extracted first. Because of this, oil prices cannot decrease very much, without world supply dropping off. Instead, because of diminishing returns, needed price keeps ratcheting upward. The new “tight” oil that is acting to increase US supply is an example of *expensive to produce* oil—it can’t bring needed price relief.

5. Globalization transfers consumption of limited oil supply from developed countries to developing countries.

If world oil supply isn't growing by very much, and demand is growing rapidly in developing countries, oil to meet this rising demand must come from somewhere. The way this transfer takes place is through the mechanism of high oil prices. High oil prices are particularly a problem for major oil importing countries, such as the United States, many European countries, and Japan. Because oil is used in growing food and for commuting, a rise in oil price tends to lead to a cutback in discretionary spending, recession, and lower oil use in these countries.

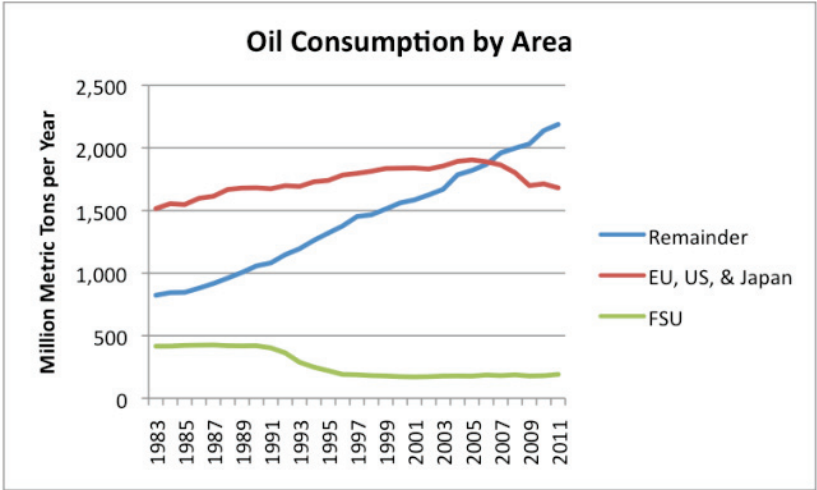


Figure 13. World oil consumption in million metric tons, divided among three areas of the world. (FSU is Former Soviet Union.)

Developing countries are better able to use higher-priced oil than developed countries. In some cases (particularly in oil-producing countries) subsidies play a role. In addition, the shift of manufacturing to less developed countries increases the number of workers who can afford a motorcycle or car. Job loss plays a role in the loss of oil consumption from developed countries—see my post, Why is US Oil Consumption Lower? Better Gasoline Mileage? The real issue isn't better mileage; one major issue is loss of jobs.

6. Globalization transfers jobs from developed countries to less developed countries.

Globalization levels the playing field, in a way that makes it hard for developed countries to compete. A country with a lower cost structure (lower wages and benefits for workers, more inexpensive coal in its energy mix, and more lenient rules on pollution) is able to out-compete a typical OECD country. In the United States, the percentage of US citizen with jobs started dropping about the time China joined the World Trade Organization in 2001.

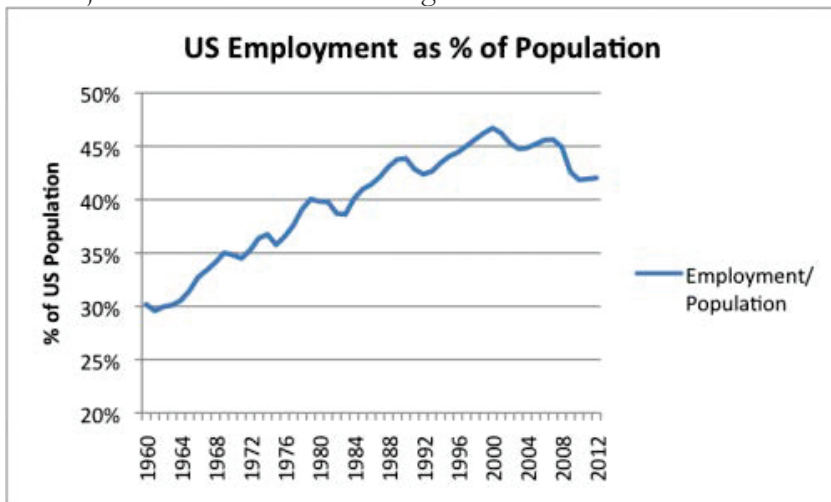


Figure 14. US Number Employed / Population, where US Number Employed is Total Non-Farm Workers from Current Employment Statistics of the Bureau of Labour Statistics and Population is US Resident Population from the US Census. 2012 is partial year estimate.

7. Globalization transfers investment spending from developed countries to less developed countries.

If an investor has a chance to choose between a country with a competitive advantage and a country with a competitive disadvantage, which will the investor choose? A shift in investment shouldn't be too surprising.

In the US, domestic investment was fairly steady as a percentage of National Income until the mid-1980s (Figure 8). In recent years,

it has dropped off and is now close to consumption of assets (similar to depreciation, but includes other removal from service). The assets in question include all types of capital assets, including government-owned assets (schools, roads), business owned assets (factories, stores), and individual homes. A similar pattern applies to business investment viewed separately.

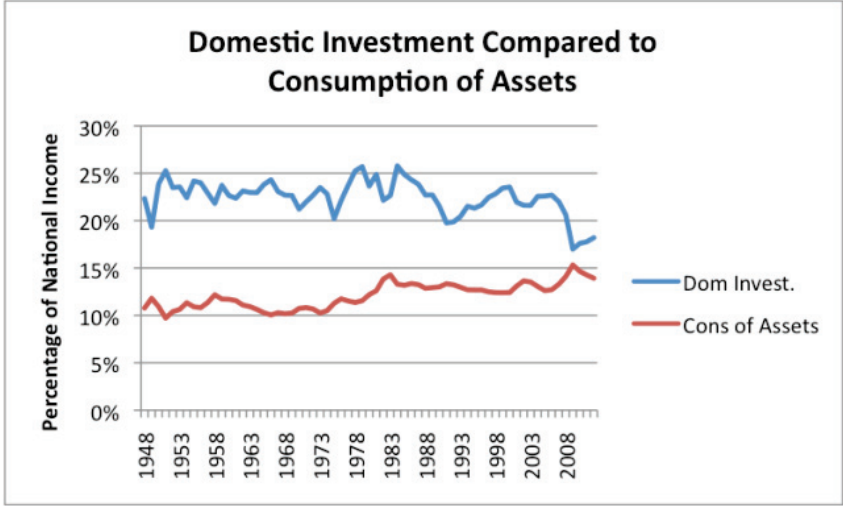


Figure 15. United States domestic investment compared to consumption of assets, as percentage of National Income. Based on US Bureau of Economic Analysis data from Table 5.1, Savings and Investment by Sector.

Part of the shift in the balance between investment and consumption of assets is rising consumption of assets. This would include early retirement of factories, among other things. Even very low interest rates in recent years have not brought US investment back to earlier levels.

8. With the dollar as the world's reserve currency, globalization leads to huge US balance of trade deficits and other imbalances.

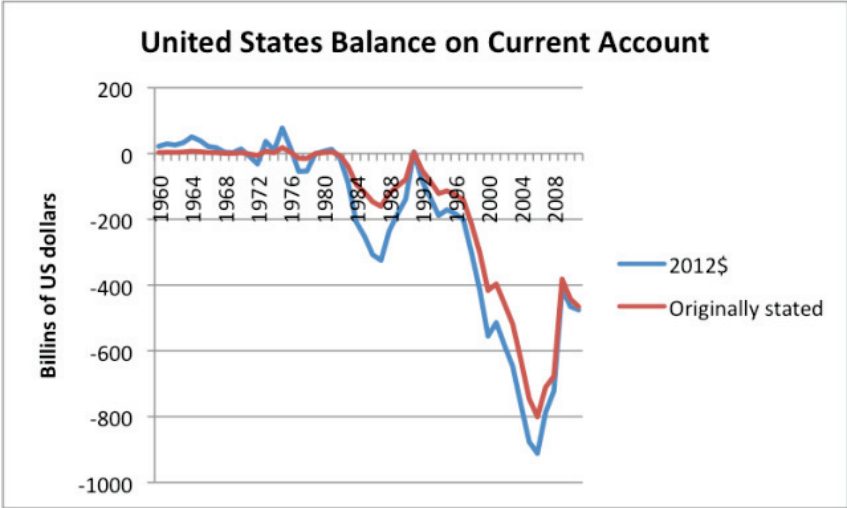


Figure 16. US Balance on Current Account, based on data of US Bureau of Economic Analysis. Amounts in 2012\$ calculated based on US CPI-Urban of the Bureau of Labour Statistics.

With increased globalization and the rising price of oil since 2002, the US trade deficit has soared (Figure 9). Adding together amounts from Figure 9, the cumulative US deficit for the period 1980 through 2011 is \$8.6 trillion. By the end of 2012, the cumulative deficit since 1980 is probably a little over 9 trillion.

A major reason for the large US trade deficit is the fact that the US dollar is the world's "reserve currency." While the mechanism is too complicated to explain here, the result is that the US can run deficits year after year, and the rest of the world will take their surpluses, and use it to buy US debt. With this arrangement, the rest of the world funds the United States' continued overspending. It is fairly clear the system was not put together with the thought that it would work in a fully globalized world—it simply leads to too great an advantage for the United States relative to other countries. Erik Townsend recently wrote an article called *Why Peak Oil Threatens the International Monetary System*, in which he talks about the

possibility of high oil prices bringing an end to the current arrangement.

At this point, high oil prices together with globalization have led to huge US deficit spending since 2008. This has occurred partly because a smaller portion of the population is working (and thus paying taxes), and partly because US spending for unemployment benefits and stimulus has risen. The result is a mismatch between government income and spending (Figure 10, below).

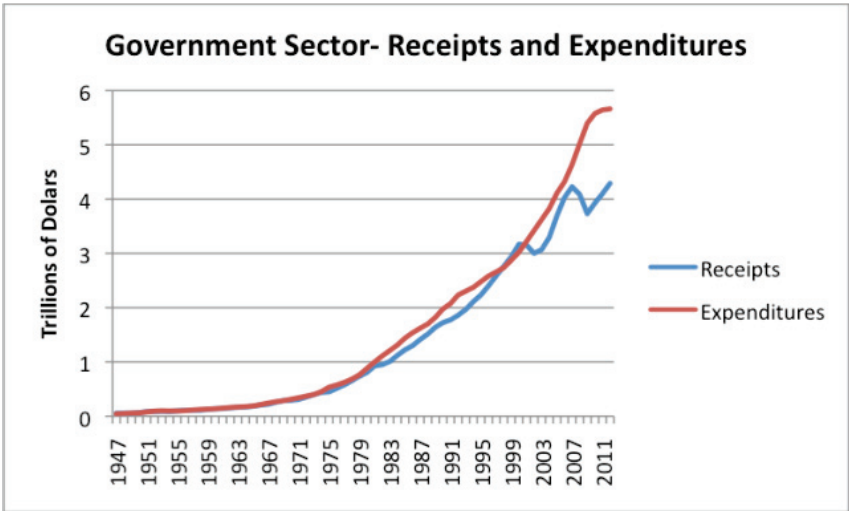


Figure 17. Receipts and Expenditures for all US government entities combined (including state and local) based on BEA data. 2012 estimated based on partial year data.

Thanks to the mismatch described in the last paragraph, the federal deficit in recent years has been far greater than the balance of payment deficit. As a result, some other source of funding for the additional US debt has been needed, in addition to what is provided by the reserve currency arrangement. The Federal Reserve has been using Quantitative Easing to buy up federal debt since late 2008. This has provided a buyer for additional debt and also keeps US interest rates low (hoping to attract some investment back to the US, and keeping US debt payments affordable). The current situation is unsustainable, however. Continued overspending and printing money to pay debt is not a long-term solution to huge

imbalances among countries and lack of cheap oil—situations that do not “go away” by themselves.

9. Globalization tends to move taxation away from corporations, and onto individual citizens.

Corporations have the ability to move to locations where the tax rate is lowest. Individual citizens have much less ability to make such a change. Also, with today’s lack of jobs, each community competes with other communities with respect to how many tax breaks it can give to prospective employers. When we look at the breakdown of US tax receipts (federal, state, and local combined) this is what we find:

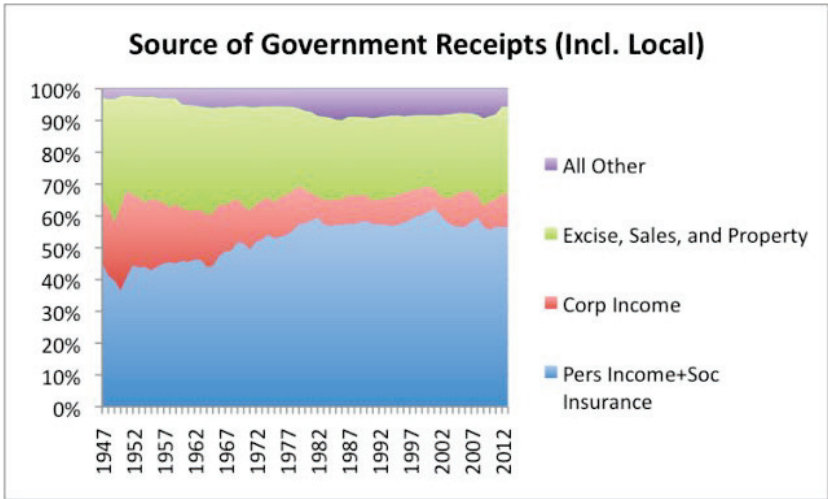


Figure 18. Source of US Government revenue, by year, based on US Bureau of Economic Analysis Data.

The only portion that is entirely from corporations is corporate income taxes, shown in red. This has clearly shrunk by more than half. Part of the green layer (excise, sales, and property tax) is also from corporations, since truckers also pay excise tax on fuel they purchase, and businesses usually pay property taxes. It is clear, though, that the portion of revenue coming from personal income taxes and Social Security and Medicare funding (blue) has been rising.

I showed that high oil prices seem to lead to depressed US wages in my post, *The Connection of Depressed Wages to High Oil Prices and Limits to Growth*. If wages are low at the same time that wage-earners are being asked to shoulder an increasing share of rising government costs, this creates a mismatch that wage-earners are not really able to handle.

10. Globalization sets up a currency “race to the bottom,” with each country trying to get an export advantage by dropping the value of its currency.

Because of the competitive nature of the world economy, each country needs to sell its goods and services at as low a price as possible. This can be done in various ways—pay its workers lower wages; allow more pollution; use cheaper more polluting fuels; or debase the currency by Quantitative Easing (also known as “printing money,”) in the hope that this will produce inflation and lower the value of the currency relative to other currencies.

There is no way this race to the bottom can end well. Prices of imports become very high in a debased currency—this becomes a problem. In addition, the supply of money is increasingly out of balance with real goods and services. This produces asset bubbles, such as artificially high stock market prices, and artificially high bond prices (because the interest rates on bonds are so low). These assets bubbles lead to investment crashes. Also, if the printing ever stops (and perhaps even if it doesn’t), interest rates will rise, greatly raising cost to governments, corporations, and individual citizens.

11. Globalization encourages dependence on other countries for essential goods and services.

With globalization, goods can often be obtained cheaply from elsewhere. A country may come to believe that there is no point in producing its own food or clothing. It becomes easy to depend on imports and specialize in something like financial services or high-priced medical care—services that are not as oil-dependent.

As long as the system stays together, this arrangement works, more or less. However, if the built-in instabilities in the system become too great, and the system stops working, there is suddenly a very large problem. Even if the dependence is not on food, but is instead on computers and replacement parts for machinery, there can still be a big problem if imports are interrupted.

12. Globalization ties countries together, so that if one country collapses, the collapse is likely to ripple through the system, pulling many other countries with it.

History includes many examples of civilizations that started from a small base, gradually grew to over-utilize their resource base, and then collapsed. We are now dealing with a world situation which is not too different. The big difference this time is that a large number of countries is involved, and these countries are increasingly interdependent. In the post 2013: Beginning of Long-Term Recession, Gail Tverberg showed that there are significant parallels between financial dislocations now happening in the United States and the types of changes which happened in other societies, prior to collapse. This analysis was based on the model of collapse developed in the book *Secular Cycles* by Peter Turchin and Sergey Nefedov.

It is not just the United States that is in perilous financial condition. Many European countries and Japan are in similarly poor condition. The failure of one country has the potential to pull many others down, and with it much of the system. The only countries that remain safe are the ones that have not grown to depend on globalization—which is probably not many today—perhaps landlocked countries of Africa.

In the past, when one area collapsed, there was less interdependence. When one area collapsed, it was possible to let cropland “rest” and deforested areas regrow. With regeneration, and perhaps new technology, it was possible for a new civilization to grow in the same area later. If we are dealing with a world-wide collapse, it will be much more difficult to follow this model.

Three critical contradictions make up the contemporary world crisis emanating from capitalist development: (1) the current Great Financial Crisis and stagnation/depression; (2) the growing threat of planetary ecological collapse; and (3) the emergence of global imperial instability associated with shifting world hegemony and the struggle for resources. Such structural weaknesses of the system, as Joseph Schumpeter might have said, are the product of capitalism's past successes, but they raise catastrophic problems and failures in the present nonetheless.¹ How we choose to act today in response to this failed system is therefore the most critical question that humanity has ever faced.

'Another World is Possible'

As a result of corporate and US influence, the key international bodies that developing countries are forced to turn to for assistance, such as the World Bank and IMF, are major exponents of the neoliberal agenda. The WTO openly asserts its intention to improve global business opportunities; the IMF is heavily influenced by the Wall Street and private financiers, and the World Bank ensures corporations benefit from development project contracts. They all gain considerably from the neo-liberal model.

So influential are corporations at this time that many of the worst violators of human rights have even entered a Global Compact with the United Nations, the world's foremost humanitarian body. Due to this international convergence of economic ideology, it is no coincidence that the assumptions that are key to increasing corporate welfare and growth are the same assumptions that form the thrust of mainstream global economic policy.

However, there are huge differences between the neoliberal dogma that the US and EU dictate to the world and the policies that they themselves adopt. Whilst fiercely advocating the removal of barriers to trade, investment and employment, The US economy remains one of the most protected in the world. Industrialized nations only reached their state of economic development by fiercely protecting their industries from foreign markets and

investment. For economic growth to benefit developing countries, the international community must be allowed to nurture their infant industries. Instead economically dominant countries are ‘kicking away the ladder’ to achieving development by imposing an ideology that suits their own economic needs.

The US and EU also provide huge subsidies to many sectors of industry. These devastate small industries in developing countries, particularly farmers who cannot compete with the price of subsidized goods in international markets. Despite their neoliberal rhetoric, most ‘capitalist’ countries have increased their levels of state intervention over the past 25 years, and the size of their government has increased. The requirement is to ‘do as I say, not as I do’.

Given the tiny proportion of individuals that benefit from neoliberal policies, the chasm between what is good for the economy and what serves the public good is growing fast. Decisions to follow these policies are out of the hands of the public, and the national sovereignty of many developing countries continues to be violated, preventing them from prioritizing urgent national needs. Below we examine the false assumptions of neoliberal policies and their effect on the global economy.

Economic Growth

Economic growth, as measured in GDP, is the yardstick of economic globalization which is fiercely pursued by multinationals and countries alike. It is the commercial activity of the tiny portion of multinational corporations that drives economic growth in industrialized nations. Two hundred corporations account for a third of global economic growth. Corporate trade currently accounts for over 50% of global economic growth and as much as 75% of GDP in the EU. The proportion of trade to GDP continues to grow, highlighting the belief that economic growth is the only way to prosper a country and reduce poverty.

Logically, however, a model for continual financial growth is unsustainable. Corporations have to go to extraordinary lengths in order to reflect endless growth in their accounting books. As a

result, finite resources are wasted and the environment is dangerously neglected. The equivalent of two football fields of natural forest is cleared each second by profit hungry corporations.

Economic growth is also used by the World Bank and government economists to measure progress in developing countries. But, whilst economic growth clearly does have benefits, the evidence strongly suggests that these benefits do not trickle down to the 986 million people living in extreme poverty, representing 18 percent of the world population (World Bank, 2007). Nor has economic growth addressed inequality and income distribution. In addition, accurate assessments of both poverty levels and the overall benefits of economic growth have proved impossible due to the inadequacy of the statistical measures employed.

The mandate for economic growth is the perfect platform for corporations which, as a result, have grown rapidly in their economic activity, profitability and political influence. Yet this very model is also the cause of the growing inequalities seen across the globe. The privatization of resources and profits by the few at the expense of the many, and the inability of the poorest people to afford market prices, are both likely causes.

Free Trade

Free trade is the foremost demand of neoliberal globalization. In its current form, it simply translates as greater access to emerging markets for corporations and their host nations. These demands are contrary to the original assumptions of free trade as affluent countries adopt and maintain protectionist measures. Protectionism allows a nation to strengthen its industries by levying taxes and quotas on imports, thus increasing their own industrial capacity, output and revenue. Subsidies in the US and EU allow corporations to keep their prices low, effectively pushing smaller producers in developing countries out of the market and impeding development.

With this self-interest driving globalization, economically powerful nations have created a global trading regime with which they can determine the terms of trade.

The North American Free Trade Agreement (NAFTA) between the US, Canada, and Mexico is an example of free-market fundamentalism that gives corporations legal rights at the expense of national sovereignty. Since its implementation it has caused job loss, undermined labour rights, privatized essential services, increased inequality and caused environmental destruction.

In Europe only 5% of EU citizens work in agriculture, generating just 1.6% of EU GDP compared to more than 50% of citizens in developing countries. However, the European Common Agricultural Policy (CAP) provides subsidies to EU farmers to the tune of £30 billion, 80% of which goes to only 20% of farmers to guarantee their viability, however inefficient this may be.

The General Agreement on Trade and Services (GATS) was agreed at the World Trade Organization (WTO) in 1994. Its aim is to remove any restrictions and internal government regulations that are considered to be “barriers to trade”. The agreement effectively abolishes a government’s sovereign right to regulate subsidies and provide essential national services on behalf of its citizens. The Trade Related agreement on International Property Rights (TRIPS) forces developing countries to extend property rights to seeds and plant varieties. Control over these resources and services are instead granted to corporate interests through the GATS and TRIPS framework.

These examples represent modern free trade which is clearly biased in its approach. It fosters corporate globalization at the expense of local economies, the environment, democracy and human rights. The primary beneficiaries of international trade are large, multinational corporations who fiercely lobby at all levels of national and global governance to further the free trade agenda.

Liberalization

The World Bank, IMF and WTO have been the main portals for implementing the neoliberal agenda on a global scale. Unlike the United Nations, these institutions are over-funded, continuously lobbied by corporations, and are politically and financially dominated by Washington, Wall Street, corporations and their

agencies. As a result, the key governance structures of the global economy have been primed to serve the interests of this group, and market liberalization has been another of their key policies.

According to neoliberal ideology, in order for international trade to be 'free' all markets should be open to competition, and market forces should determine economic relationships. But the overall result of a completely open and free market is of course market dominance by corporate heavy-weights. The playing field is not even; all developing countries are at a great financial and economic disadvantage and simply cannot compete.

Liberalization, through Structural Adjustment Programs, forces poorer countries to open their markets to foreign products which largely destroys local industries. It creates dependency upon commodities which have artificially low prices as they are heavily subsidized by economically dominant nations. Financial liberalization removes barriers to currency speculation from abroad. The resulting rapid inflow and outflow of currencies is often responsible for acute financial and economic crisis in many developing countries. At the same time, foreign speculators and large financial firms make huge gains. Market liberalization poses a clear economic risk; hence the EU and US heavily protect their own markets.

A liberalized global market provides corporations with new resources to capitalize and new markets to exploit. Neoliberal dominance over global governance structures has enforced access to these markets. Under WTO agreements, a sovereign country cannot interfere with a corporation's intentions to trade even if their operations go against domestic environmental and employment guidelines. Those governments that do stand up for their sovereign rights are frequently sued by corporations for loss of profit, and even loss of potential profit. Without this pressure they would have been able to stimulate domestic industry and self-sufficiency, thereby reducing poverty. They would then be in a better position to compete in international markets.

Deregulation

Access to new markets and foreign resources is not enough. To fulfil the corporate agenda of increasing profits, a corporation must seek out favourable regulatory conditions that reduce costs and increase productive capacity. Regulations restrict profitability. Thus, the corporate call for liberalization is accompanied by a demand for deregulation in all sectors of commerce nationally and globally. Removing these restrictions allows corporations to have greater access to and use of resources and labour, and to move freely across borders. Whilst countries such as many in South America and Asia offer just such conditions, corporations actively engage in the influencing and changing of domestic and international law that can potentially create these favourable conditions universally. In order to achieve this, corporations have, over the past 150 years, secured their political influence in local, national and international governance structures and regulatory bodies.

Regulations and regulatory agencies exist to monitor corporate activities, protect human rights and safeguard the environment. In recent years corporate lobbying has seen governments cut budgets for regulatory agencies and regulatory laws have been repealed, allowing corporations free reign to operate with fewer public safeguards. Overall, regulatory bodies have shifted their focus from protecting the consumer to protecting the industry, as the neoliberal model is progressively assimilated at all levels of government and economic policy in developed countries.

Enron lobbied very effectively to deregulate the electricity market, then to deregulate the trading of energy futures, then to prevent the disclosure of futures contracts, then to repeal the regulated-auction requirement. This enabled it to trade without revealing any trade or financial details to regulators or the public. It proceeded to make record profits through illicit activities which soon lead to its collapse. The economic collapse in Argentina in 2001 is also widely attributed to extensive deregulation, enforced by the IMF and World Bank's neoliberal development policies, which destroyed industry and caused mass unemployment.

Regulating corporate activity protects the public. Removing these regulations protects corporate profits. This battle for legal protection is rigged in favour of corporations, even though they represent a fraction of the global population. Corporations are able to have their own way on these matters as they have almost limitless financial resources to rally to their cause and close relationships with the political elite.

Global deregulation has created the transnational corporation, as business operations are increasingly moved abroad in the search of cheaper labour, tax incentives and less red tape. In effect, unemployment rises in the affluent countries that lose jobs, while corporations outsource these same jobs to sweatshops in developing countries where wages are relatively insignificant, employment standards are often irrelevant and there are very low environmental standards. Thus corporations increase their profits. In order to win back these corporations and create more jobs, the US and other countries also lower their standards and cut regulation. Thus the logical conclusion of liberalization and deregulation is a race to the bottom, where the lowest possible standards are sought after and legislated for globally, with little regard for individual workers, employment conditions, the community or the environment.

Deregulation also encourages monopolization. Corporations, whilst falsely quoting the free market and open competition that Adam Smith envisaged, form virtual monopolies through acquisitions and mergers. This allows them to manage competition through strategic alliances that exist between all major players. As such, an estimated 60% of US GDP is provided by the largest 1000 corporations, and the remaining 11 million companies account for the other 40% of GDP.

Privatization

Privatization is the transfer of ownership or control over the production and distribution of state-owned resources or services to private companies. This process is essential to increasing corporate profit and opportunity, and is currently the focus of much

attention. The progressive privatization of the global commons has been the primary focus of neoliberal or free market policy since the 1980s. Until this very recent period in history, public resources were largely in the hands of local communities and nations who would distribute their benefits throughout society without an overriding profit imperative.

With key commodity, agricultural and manufacturing markets already dominated by a handful of corporations, privatization has opened up a seemingly endless array of profitable opportunities. Agricultural land, airwaves, water sources, energy sources, healthcare, banking, indigenous knowledge, plants, seeds and even ideas are now increasingly controlled and supplied by corporations for profit.

Of great concern is the recent privatization of education. The US education system is valued at around £800 billion, and it is estimated that 10% of this will be in corporate hands within the next 8 years. In the UK, 59 learning academies are replacing existing schools, most under direct sponsorship from the corporate community who provide substantial donations to the government. All these academies “give sponsors and governors broader scope and responsibility for ethos, strategic direction and challenge”. As a result, they have a substantial emphasis on business, enterprise and commerce, and are not accountable to the public in the same manner as ordinary schools. This is just one example of the corporate takeover of public services in the UK as part of the Private Finance Initiative (PFI). Government spin has ensured that the PFI is never referred to as privatization, although it plainly hands over substantial control of public services and resources in exchange for corporate financial aid.

Neoliberals claim that privatized services are more efficient than those run by the state. They believe that market competition and corporate efficiency can drive prices down for consumers. These arguments are used as a sales tool to convince the public and their governments, and privatization is rapidly advancing throughout the developed and developing world. However, these assumptions are basically incorrect and often irrelevant when considering the functions and purposes of public utilities. Essential services are

provided to citizens by their governments to meet basic public welfare needs such as the provision of energy, water and healthcare. The provision of these services is a human right, and whether they are profitable is not a concern for the vast majority of people around the world.

There are many relevant arguments against privatization, and little empirical evidence that privately run services are either more efficient or better value to their customers. For example, privatization usually creates a natural monopoly, removing the possibility of competition that can benefit the consumer. In many sectors, such as energy, multinational corporations hold the reins to the market, and through their strategic alliances they control critical aspects of the market such as price – again removing any theoretical market benefits. And when consumer prices are reduced or a corporation tries to increase profit levels, it often comes at the expense of decent wages, labour standards and the environment. The resulting economies of scale and efficiency gains come at too high a cost to society.

The main issues are those relating to human rights, democracy, ownership, control and accountability. The provision of essential services is a human right, although many in the developing world go without basic services. Where services are available, it is in the community's interest that an accountable government body manages the utility. But corporations are not accountable to the public, only to shareholders – whose priority is profit, not service. The profit motive does not influence government facilities; it can run services at a loss if the social need demanded it. If a government cannot provide a service efficiently, they may be voted out of office by the public.

The issue of water privatization remains one of the most controversial, affecting even the most affluent countries. The UK, for example, is currently experiencing legal restrictions on public water usage, whilst the operators, Thames Water, waste 894 million litres a day through unfixed leaks alone. The company avoided regulatory penalties whilst announcing a 31% rise in pre-tax profits which totalled £346.5m. Water bills are expected to increase on average by 24% by 2010. This case highlights another point –

corporations will not reinvest their profits in order to address a crisis. State owned suppliers on the other hand can reinvest profits to quickly improve standards.

Developing Countries

At the global level, the coercive influences of the WTO, IMF and World Bank have left little option for many developing countries other than to allow progressive privatization of their public goods and services. Through trade agreements and structural adjustment programs, the international financial institutions have secured a steady income for their corporate counterparts. Indeed, these ‘emerging markets’ are currently the prime targets for corporations who increasingly operate on a transnational scale, whilst maintaining strategic relationships with influential governments. Foreign investment in this way results in the foreign repatriation of profit – taking money out of a local system. This reduces industry in the country and undermines local social and economic development. In this situation, citizens are forced into dependency upon foreign companies and their goods and services, completing the vicious cycle.

Understandably, the privatization of basic services has mobilized widespread public protest - most famously in Bolivia in 2004/2005, which eventually led to the government rejecting the private water contract. Water privatization in Bolivia was enforced in 1997 as a condition to a loan by the World Bank, in partnership with private interests such as the French multinational Suez. Mass protest was sparked by a serious failure to extend water and sewage services to tens of thousands of impoverished families, and connection costs that exceeded more than half a year’s income for the average Bolivian.

This raises the question: ‘how can corporations profit from those who have little or no money to spend?’ Impoverished communities all over the world cannot afford to pay for water services; many live on less than 1 dollar a day. Almost one-fifth of the planet’s population lacks access to safe drinking water and 40 per cent lack access to basic sanitation. It is not profitable for a

corporation to control water distribution in areas of deprivation; they have little incentive to supply to those most in need if they cannot pay for the service. Publicly owned and managed water facilities, with their primary focus on meeting welfare needs and not profit, is best placed to undertake this service.

The lobby for privatization often cites the presence of ‘corrupt’ governments as a major reason for the lack of global access to essential resources such as water, suggesting that in such cases government efforts must be superseded by private provision. However, it stands to reason that these ‘corrupt’ governments are not best placed to negotiate massive private contracts with transnational corporations, many of which command much larger economies than the developing country. These government failures must also be viewed in historical perspective and in terms of a country’s current level of impoverishment. Further analysis often reveals more complex causes to this impoverishment.

These range from unique environmental conditions, such as the lack of proximity to water in sub-Saharan Africa, to the cumulative effect of colonization, political interference and unfair trade structures imposed by dominant countries. In such countries, corporations can often reinforce corrupt practices. Commenting on a Transparency International survey, IPS reported in 2002 that “International conventions have not stopped multinational corporations from trying to secure valuable contracts by bribing government officials in the world’s emerging economies - especially in the arms and defence, and public works and construction industries” and that such bribery was on the increase. In such cases international attention must focus on providing foreign assistance to create more efficient state controlled public services.

When essential services are privatized, a two-tier system is often created. Prices are set by the market and those who cannot afford to pay, go without. This is simply unacceptable when 45% of the global public struggle to survive on \$2 a day. Poverty reduction and development can only occur when these basic services, which are often unavailable in poverty stricken areas, are guaranteed to all. Government commitment to provide basic human needs was affirmed in the UN Universal Declaration of Human rights, and as

such governments must uphold their commitment and not succumb to neoliberal pressure to relinquish essential services to market forces and private interests.

In sum, neoliberal ideology embodies an outdated, selfish model of economy. It has been formulated by the old imperial powers and adopted by economically dominant nations. Given the state of the global trade and finance structures, wealthy countries can maintain their economic advantage by pressurizing developing countries to adopt neo-liberal policies—even though they themselves do not. Understandably, many commentators have described this process as economic colonialism.

The ultimate goal of neoliberal economic globalization is the removal of all barriers to commerce, and the privatization of all available resources and services. In this scenario, public life will be at the mercy of volatile market forces, and the extracted profits will benefit the few.

The major failures of these policies are now common knowledge. Many countries, particularly in Latin America, are now openly defying the foreign corporate rule that was forced upon them by the international financial institutions. In these countries, economic ideologies based on competition and self-interest is gradually being replaced by policies based on cooperation and the sharing of resources. Changing well-established political and economic structures is a difficult challenge, but pressure for justice is bubbling upward from the public. Change is crucial if the global public is to manage the essentials for life and ensure that all people have access to them as their human right.

The engines of social change are increasing. Twenty-first century social change, internetworking, collective identity formation, social movement mobilization, and democratic social action are a very complex social field. To understand the complexity of internetworked social movements ranging from more structured organizations like labour unions to more fluid movements like the alternative or antiglobalization groups, we believe is necessary to engaged multileveled comparative studies of movement networks and internetworking. In developing critical social understandings of the dynamic nature of modern protest, we suggest that social

movement theories of network societies (Klandermans, 1992; Melucci, 1996; Tarrow 1998), the emerging field of Internet studies (Jones, 1999; Garton et al, 1999; Miller and Slater, 2000; Wellman, 1997, 1999 and 2001), and the critical theory of the Frankfurt school are all important analytical perspectives.

Our model of social movements considers scale and dialectical elements amongst diverse social factors, of which we highlight:

□ At a *macro level*, in the information age, it is crucial to understand the role of Internet media in the historical emergence of various virtual “public spheres” and creation of new large-scale movement networks, quasi-enduring structures, ideologies and identities (Calhoun 1997; Castells 1998).

□ At a *meso level*, the relation of social movement internetworking can be effectively mapped in studying mobilizing networks, processes and dialectics of the collective identities construction, and the development in ongoing contents of movement strategizing for democratic social change.

□ At a *micro level*, it is necessary to articulate in larger context, the recruitment, mobilization, commitments, identity formation, and nature of participation of individuals in civic activism.

The rise of global social movements is rooted in the secular trend of the expansion of democracy and civic activism over the last three centuries that has become intertwined with the new technologies of communication. The current round of mobilizations will lead to new insights as various as: How inclusive democracy and some elements of global civil society may be developing via the emergence of virtual public spheres; how internetworking interacts with identity formation and the framing of issues; how internetworking facilitates participation in civic activism and movement mobilization proceed.

With incorporation of the ex-Communist societies into the global market during an expansive phase of Western capitalism (“globalization”) the ideologues of globalization shifted their argument. They insisted that globalization was inevitable and pointed to the incorporation of the former Communist countries. In the absence of established alternative social systems, they argued, there was no alternative but to submit and accept globalization.

They transformed the economic demands of specific socio-economic units (multinational corporations and banks) and imperial states into the impersonal commands of transcendent forces (“the world market demands”). The policies that “commanded” working people be impoverished and corporate directors be enriched.

The globalizers presented a self-serving historical interpretation of socialist revolutions to highlight their contemporary successes. They argued that socialist revolutions were an extended detour from the path of capitalist development, which was inevitable and the only road to growth, prosperity and modernity. Ex-Communists provided grist to the globalist propaganda mill by describing the socialist revolutions as coups, thus denying the profound crises, contradictions and collapse of capitalism that led to the revolutions. Historical crises, the global character of the societal decay emerging from the breakdown of globalized capitalism was ignored.

The realization of the goals of global free-market policies has led to the most irrational structures and catastrophic outcomes. Deregulation of capital had led to massive speculation and volatile fluctuations of capital flows, leading to stock market panics, currencies collapsing, massive bankruptcies and large-scale firing of workers. Indiscriminate opening of markets and borrowing have led to the destruction of local producers, irrational borrowing and unsustainable levels of expenditures and debt payments. Privatization has led to huge windfall profits and takeovers by incompetent investors, speculators and foreign corporations interested in monopoly profits but incapable of sustaining production in a declining market.

The social effects are just as devastating: massive declines in living standards, leaving two-thirds of major population centres in Mexico, Indonesia, Russia and Brazil below the poverty line. Increasingly, masses of people are responding by attacking or rejecting the local and international symbols and representatives of globalized capitalism. The next step could be political movements that move from protest against the immediate effects of globalized capitalism to challenging the fundamental policies, institutions and classes that sustain it.

Today as in the past, ‘globalization’ has created the basic conditions for social revolution. Its apologists are repeating the same arguments of the past: inevitability and universality of globalism, a market imperative that command obedience (and submission) to “the market” and the ultimate failure of revolutionary transformation. Will history prove them wrong once again? Or, will they transition to a better world?

The Strategy of the Transition

Before we embark on this course of transition I wish to observe that politics isn’t, first and foremost, a matter of making allegations and raising awareness; there is no one straw that breaks the camel’s back, and what’s bad can be tolerated indefinitely. Instead, it is a sort of shedding of the skin, by which we become sensitive to this or allergic to that. Nor has it much to do with convincing (discourse), or seducing (marketing), but rather with opening all sorts of spaces to experience another way of living, another definition of reality, another vision of the world. In the struggle for hegemony, the skin – yours, mine, everyone’s – is the battlefield.

The history of globalization is fraught with inter-imperial rivalries that struggle to displace competitors and impose the rule of particular national multi-nationals and state rule. The selective anti-imperialism of local clients facilitates the entry of imperial latecomers. The reconstruction of the Left cannot be rooted in becoming the plaything of rivalries between ascending and declining imperial powers. In the present context, there are several issues: the U.S. exploitation of the Asian crisis to enhance its position relative to Japan, South Korea, etc. The temptation among some Leftists is to defend “state-centred capitalism against” neo-liberalism; for others, the alternative is to accept the harsh prescriptions of adjustment from the IMF in exchange for employment, etc.

The basic facts are that capitalism cannot sustain growth and rising income levels: that welfare and capitalism are a product of a special balance of class forces that no longer exists. The existence of a revolutionary socialist alternative was the basic reason forcing capital to make reformist concessions in Europe and Asia. It was

the existence of revolutionary socialist regimes that forced the imperialist countries to tolerate state-directed growth in Asia and “showcase” their performance. Only the re-emergence of credible revolutionary alternatives might allow reformist and state-centred technocrats to negotiate concessions. As matters stand today, the real choices are between a capitalism that strips labour of all its social attributes, monopolizes public revenues and appropriate public enterprises and minerals and the socialist alternative--that needs to be reconstructed.

Globalization therefore works as a parabola. Crucial to the task of constructing the socialist alternative is to recognize the globalization parabola in the current period: the ascendancy in the seventies, its consolidation in the eighties and early nineties and its decline over the last several years, beginning in Asia, Latin America and spreading to North America and Western Europe. The second-biggest capitalist economy, Japan, is in a terminal tailspin, accompanied by its Asian clients. In China, stagnation and mass unemployment has set in. The Russian economy has collapsed. The U.S. and European economies will soon feel the reverberations as corporate earnings declines, and exports collapse and speculative capital cannot find new lucrative outlets.

Globalization works in reverse. The extraordinary profits based on capitals appropriation of speculative returns no longer fuel the American and European stock market and giant financial monopolies. The worldwide bankruptcy of capitalism--its inability to reproduce itself--poses a major opportunity to argue for a socialist transformation and against strategies focused on adaptation and merely defensive struggles. Adaptation to austerity leads to new, regressive policies. The argument for one more adjustment is an unending melody. There is only more pain, not prosperity, in this never-ending tunnel. Defensive struggles, while necessary for sustaining elementary living conditions in the face of the economic collapse, provide short-term victories yet prepare strategic defeats, given the non-viability of the historic capital-labour partnership under present circumstances.

A necessary precondition for a socialist transformation is a fundamental political change in the structure of the state. Contrary

to the unreflective musings of globalist theorists in both their rightist and leftist versions, the state has played a powerful role in formulating the strategies of globalization, allocating economic resources to global actors, bailing out elite losers and re-enforcing the policing of globalist victims and opponents. To argue that the state has been weakened is to mistakenly identify the state with the welfare state; it is to confuse the apologetic pronouncements of the ideologues of the globalists, who lament their impotence faced with globalist pressures, with the reality of their active collaboration via state institutions.

The state and nation become the central units for reconstructing a new internationalist socialist order. The popular movements in civil society are in basic conflict with the ruling classes of civil society over who controls the state and the nature of the socio-economic project. Once again ex-leftist ideologues disorient the popular movement by pointing to conflicts between “the state” and “civil society”--rather than examining how the most wilful and cruel exploitation occurs within civil society between landowners, bankers and financiers on the one hand and landless peasants, indebted small producers and unemployed workers on the other. So let us move on beyond the intellectual posturing of repentant ex-leftists seeking merit-points from their new paymasters to the practical measures that move the popular movement from political power to a socialist transformation.

In this regard we can learn a great deal from the transition strategies engineered earlier by the neo-liberal globalists. Key to the implantation of the new socialist economy is the immediate implementation of shock therapy for the ruling class: profits should be drastically reduced; bank accounts and financial holdings intervened and frozen; overseas payments suspended and a moratorium on debt payments implemented. The shock therapy has political and economic value: politically it disorganizes and disorients the ruling class; economically it prevents hoarding, capital flight and the provocation of hyper-inflation. More important it involves strong state intervention to restructure the economy and reconfigure state budgets and institutions. The purpose is to open the economy for domestic production, to liberate credit and

investment for expanding production and exchanges at the national, regional and local level. Shock therapy predictably will evoke protests and dire cries of injustice and arbitrariness. But quick and resolute action in following up the shock therapy with substantive new investments and credits toward the domestic market can generate more than sufficient support for sustaining the regime.

Shock therapy, rationally applied, means renegotiation with former globalist patrons and partners, not repudiation. It does not spell rupture but a reordering of priorities and relations to favour the new forces of the domestic market.

The second phase in the transition involves economic reconversion: the shift from hyper-specialization in single commodities and limited activity in the industrial production cycle (assembly plants) to diversified production, a better balance between local consumption and export production, and greater investment in education, research, health and productivity.

To realize economic reconversion requires a shift in investments, employment and income policy. This means the implementation of a structural adjustment program from below. Essentially this means the redistribution of land, income and credits, the breakup of private monopolies and the reform of the tax system, the protection of emerging industries and the opening of trade for commodities that don't compete with local producers. Financial controls will eliminate speculative activity, and state planning can redirect investments to human capital formation, employment-generating public works and inter-regional production.

To avoid inflation and stabilize the economy, a tight monetary policy will need to be put in place. Monetarism from below means the elimination of state bailouts of billion-dollar debts due to mismanagement, swindles or speculation by the private sectors; the elimination of low-interest (subsidized) loans and cheap credits to exporters, elimination of tax abatements for multi-national corporation in so-called free trade zones. The gains in state revenues and savings can fund alternative socio-economic activity without resorting to the printing of money.

There are significant differences between a socialist and a neo-liberal structural adjustment program. Socialization will replace

privatization as a key to increasing efficiencies, competitiveness and productivity. Socialization will include extending transport and communication networks to further interregional exchanges, thus revitalizing provincial enterprises, markets and producers.

Socialization of economic enterprises is necessary but not sufficient to create a viable socialist economy. What is required is a plan of industrial reconversion that allows popular demand, not impersonal corporate bureaucrats to decide on “winners and losers.” This means closing or reconverting luxury-producing and importing enterprises and substituting enterprises that produce quality of goods for mass local consumption. This requires that working people as consumers play a vital role in the decision-making process to avoid the shabby quantitative output of the ex-Communist states.

Industrial reconversion requires, however, a balance between domestic and overseas production: exports earnings will continue to be important to finance vital inputs to the dynamic domestic growth model. What is crucial in this relation is the reinvestment of surplus export earnings in the development of the internal market, not their transfer overseas or to speculative activity as is the case today.

Crucial to the structural adjustment model from below is the modernization of the state. The state in the export model is largely made up of regulators who fashion rules and allocate resources to satisfy overseas investors and traders, drawing on domestic resources and providing little information to local producers about the decision-making process. In rejecting the neo-liberal export model, there is no going back toward the centralized bureaucratic state that stifled popular democracy, blocked innovative initiatives and produced gross inefficiencies. The modernization of the state means the decentralization of administrations of state allocations to local recipients in civil society who vote on their priorities. State reform means the relocation of health workers to the neighbourhoods, agronomists to the countryside and teachers to the overcrowded popular urban schools.

Consumers and citizens have to play a key role in directing the state and economic institutions to avoid having another

“dictatorship over the proletariat” or an abundance of cheap consumer goods that nobody is interested in purchasing because of quality, style or attractiveness. The most basic and novel feature of the new socialism is the key role that workers, consumers and ecologists will play in the review, evaluation, hiring and firing of managers. The avoidance of a privileged bureaucracy in the public economic enterprises rests with an active role of the direct producers and consumers in fundamental decision-making. Thus, under the new socialism, self-management at the state, regional and local level is the alternative to the private export elite of the globalized economy and the state bureaucrats of the past.

The key role of direct producers also involves responsibilities. Guaranteed lifetime employment is not viable: periodical peer evaluations of performance of quality and quantity of services should be the norm. Chronic offenders should be fired. Abusive bureaucrats called to account. Public utilities workers made accountable for unacceptable delays. Local, decentralized organization allows friends, neighbour and citizens to take decisions into their own hands. Absentee teachers should receive absentee salaries and answer to parents, students and others. Professors who recycle outdated lectures on yellowing note cards should be evaluated and advised to upgrade their courses or face dismissal.

New socialism means the end of the double discourse. It means that personal lifestyle should be in accord with public discourse. Intellectuals cannot critique neo-liberalism and then engage in frenzied consumption of imported consumer items. One cannot preach equality up to the doorstep of the household and then practise the authoritarian (patriarchal) politics once in the family. The new socialism recognizes the complexity of the contradictions in the transition, foremost the need to democratize gender, ethnic and race relations--to engage those struggles as important in themselves--as key elements in the transition from globalism to new socialism. Alternatives are not disembodied utopias that are “imagined” by individuals sitting in front of the Internet. The alternatives grow out of the past and present experiences and opportunities that emerge from the failures and crises of the “export strategies.” The new socialism learns not only from its

capitalist adversaries how to turn the tables but also from the mistakes of the old socialism. It is more inclusive, incorporating women, consumers and ecologists. It possesses a greater sensibility to the notions of freedom at the workplace and on farms. It possesses a greater appreciation of the integration of personal values and public practice.

The collapse of globalization, as it has been understood up to now, in Asia, ex-USSR, Africa, and Latin America is creating tremendous hardships, but it is also a historic opportunity to transcend capitalism. It would be a failure of the nerve to settle for anything less than a new socialist society, a new nation as an integral whole, a new culture of participants and not spectators and a new internationalism of equals.

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Which Way for Oppressed and Exploited People?

Overview

Since the beginning of recorded history, human beings have been captivated by the myth of paradise- the land of promise. It touches something deep in us: our origins, our aspirations, our fears, our need to determine our destiny. In ways we never fully comprehend, we are driven by a need to know where we are going, to progress upwards, always evolving into a state better than before. Nevertheless, along the way the human family has learned a great deal about paradise. It is of this world, not another. It will require a collective human effort. It will always be ahead of us. While we cannot go back to the past, clearly the past can help us to envisage a future for all. For instance, the teaching of “free market theory” is rooted in laissez-faire economics. The basic premise is that there is an invisible hand that always causes the free and unregulated marketplace to ensure the greatest benefit to all — if simply left alone. Discussion of free market theory may be fine for some academic seminar, but it doesn’t comport to the real world of trade, investment or industrial development.

Mainstream economic courses teach four major assumptions underpinning the classical/neoclassical model: 1) We are all rational wealth maximizers; 2) Private vice leads to public benefits, or the action that yields the greatest financial return to the individual or company is the most beneficial to society; 3) The free market, unfettered by government regulation, is generally the most efficient and socially optimal way to allocate resources; and 4) You don’t have a basic right to live beyond what you can gain on the labour market. Other principles sermonized are: The highest expression of what it means to be human is material acquisition, societies should be based around competition rather than cooperation, progress is measured by the value of products consumed and high consumption rates advance the well-being of society.

These assumptions cannot be proven at a level in the social sciences nor does science offer any definitive explanation of human nature, let alone its correlation to economic organization. Human nature is beyond reification. If the aforementioned principles and assumptions are without merit and do not reflect human nature to the extent of what we know about ourselves, why are they still taught in schools and universities today?

Free market theory developed during the cataclysm experienced during the transition from feudalism to industrialism via enclosure of common lands. The once self-sufficient peasant turned dependent urban worker could only survive by renting himself to owners of mills and factories. Free market theory provided a useful ideology for privileged elites and landowners to justify the plight of those working in the nascent industrial towns.

Just as free market theory served as an ideological weapon of class war against urban workers of the 18th and 19th centuries, it is used today against semi-skilled and unskilled workers (90 percent of population) in context of what is called “globalization” — basically, production looking for the cheapest labour possible. Free market theory also serves as an argument against spending on crucial programs such as a national health-care system, public education, old age pension systems and increased environmental protections.

Far from being anything close to a free-market economy, the U.S. is a publicly subsidized, private profit economy. The common phrase “privatize profits and socialize costs” means the public pays the costs of economic development with the associated risks and bails out private enterprise when it gets in trouble. Business likes big government because it provides a safety net, in taxpayer bailouts, when bad investment decisions result in financial insolvency. Additionally, government acts in distributing wealth upward through tax schemes, protectionist measures and subsidies. The idea that conservatives want less government is a joke; they want a robust government to support them. Dean Baker’s “Nanny State: How the Wealthy Use the Government to Stay Rich and Get Richer” is a useful corrective to how the current economic debate is framed. Free market theory is in fact nothing other than a fraud to shield the public from the economic realities in an effort to present

“markets” as neutral, detached from the political, and to disempower people from involvement in investment and production decisions that affect their lives and communities.

The Elusive Scientific (Theoretical) Land of Promise

Introduction

This chapter has as its major aim the following: (1) the fundamental reality of social conflict among materially based human groups in the era of globalization, (2) the concern with a relevant totality of corporate capitalism, (3) the transitory nature of social forms and theories about them, and, (4) the centrality of the corporate capitalist accumulation process and competitive class struggles. The explanation for such considerations is that world-economies today consist of four key areas: (1) core states, (2) peripheral areas, (3) semi peripheral areas, and (4) external areas. The main political and economic machinery (bureaucracy, military, etc.) is located in the core states, which are also responsible for much of the national culture of an area. These core states benefit the most from economic success as they tend to exploit the lower groups, particularly the peripheral areas.

Peripheral areas are not solid states with a strong government, but rather areas largely under the control of the core states. They export raw materials to the core and rely on coercive labour for their existence. The semi periphery is a necessity in this type of system as a buffer between the core states and these peripheral areas who may easily become frustrated with the state of their existence. This means they act as an intermediary between the powerful leaders and the less-influential workers, representing some of the interests of each and helping to extinguish lower-class revolt or upper-class exploitation if needed. Areas in the semi periphery tend to be either core states in decline or peripheral areas trying to prove themselves to make their way up the societal ladder. The fourth type of area, external areas, are parts of the world that exist outside of the world-economy. They maintain their own economic system and are largely isolated from the rest of the world-system. These areas are constantly changing as peripheral areas become

semi peripheral, semi peripheral become core states, etc., as discussed by Immanuel Wallerstein (in Immanuel Wallerstein Biography - (1930 –), The Modern World-System, The Modern World-System, After Liberalism <http://social.jrank.org/pages/3147/Immanuel-Wallerstein.html#ixzz16qCHphGy>, accessed on 09/30/2014).

It is worth noting that the current world system has been developing for centuries through a series of processes outlined by Wallerstein. These are as follows: (1) bureaucratization, (2) homogenization of the local populus, (3) expansion of the military, (4) introduction of absolutism (the economic and political system wherein ultimate authority rests in the government) and the end of feudalism (the system where lords were in control economically and militarily of their vassals or workers), (5) economic diversification, (6) expansion into new markets, (7) absorption of competing systems and inclusion of large continents (Asia and Africa), (8) shift of core states to purely industrial concerns, and finally, (9) an increase in manufacturing (particularly with the rise of industrialization in the periphery and semi-periphery). It is through these steps that the European Bourgeoisie rose in the 16th century to develop into today's modern world-economy.

The Elusive Scientific Land of Promise

Globalization at a minimum involves the creation of a world economy that is not merely the sum of its national economies, but rather a powerful independent reality, created by the international division of labour and the world market which, in the present epoch, predominates over national markets. Large scale, long-term flows of capital, commodities, technology and labour across national boundaries define the process of globalization.

Globalization in Historical Perspective

Contemporary globalization retains many of the key features of the earlier phases of globalization: the driving forces are centred in the imperial state and the multi-national corporation and banks, backed by the international financial institutions. What is significantly different are the scale, scope and speed of the

circulation of capital and commodities, particularly financial flows between deregulated economies. The technological changes, especially in communications (computers, fax, etc.), have been a prime factor in shaping the high velocity of movements of capital.

The scope and scale of movement of capital and commodities however, are due less to technological than to political changes. The demise of socialism in the former Communist countries of Europe and Asia, the conversion of nationalist-populist third-world regimes to unregulated capital and the demise of the welfare state in the West have opened vast areas for accumulation of profits (and surplus capital) and new markets for sales and investment. These political victories are central to the advance of the contemporary process of globalization in relation to the historical period immediately following World War II, and certainly in relation to the inter-war period.

The conflict between globalizing imperialist forces and the third world--what was erroneously referred to as the Cold War--was evident in the 23 million people who died in 143 wars, overwhelmingly in the third world, between 1945 and 1992. The contemporary phase of globalization was a consequence of what sub-commander Marcos refers to as the Third World War, which continues to this day.

A historical analysis of the phases of globalization allows one to refute some of the ideological claims of its proponents. A retrospective analysis reveals that globalization has been cyclical in world historical development. There were periods of high globalization, moments of crises and periods in which economic flows turned inward. There is no universal inevitable tendency toward globalization. Inter-imperial wars resulting from global competition, internal crises of overproduction and more important social and political revolutions have all affected the trajectory of globalist nations and classes. The cyclical nature of globalization allows analysts to identify the internal/external weaknesses of the globalist project and identify the alternative strategies that emerged from the crises of global projects in earlier times.

The very idea of globalization as a historical necessity is questioned by its cyclical history. The notion that we enter a new

period is also dubious: foreign trade and overseas income were a greater percentage of GNP in Europe during the late 19th century than at the end of the 20th century. The idea that technology drives globalization omits the point that most of the new technologies emerged before the current globalist phase and are compatible with expanding domestic production and popular consumption.

The globalization idea is itself suspect. In its most widely expressed usage, it argues for a universal incorporation to the world marketplace and the spread of benefits throughout the world. The empirical reality is neither universal incorporation nor the spread of benefits: there are wealthy creditors and bankrupt debtors, super-rich speculators and impoverished unemployed workers, imperial states that direct international financial institutions and subordinate states that submit to their dictates. A rigorous comparative analysis of contemporary world social-economic realities would suggest that the globalist concept of interdependence is far less useful in understanding the world than the Marxist concept of imperialism.

The Rise of Globalist Ideology

The rise of “globalist ideology” is found originally in the business journals of the late 1960s and early 1970s. The major expansion and conquest of markets by the multi-nationals was described as globalization by business journalists searching for an alternative to the existing Marxist vocabulary, since they sought to present the process in a favourable light. Gradually the term was taken over by the mainstream academic world and became the acceptable framework for talking about international capitalist expansion without having to deal with its origins, power relations and exploitative outcomes. What emerged from the academic recycling of the concept was “globaloney”: the embellishment of the concept by linking it to what was called the third technological revolution and imputing to it a historical inevitability and degree of interdependence that was remote from reality. From the business, journalistic and bourgeois academic world, the term was incorporated into the vocabulary of the Left intelligentsia. They too began to parrot the same properties and arguments in the context

of a mindless flight from critical socialist paradigms. Thus globalization seems to have become a universal category of analysis, through which the imperial ruling classes exercise power and paralyse mass popular opposition.

The retreat of the Left intellectuals from the imperialist theoretical approach toward globalization is intimately related to the defeat and decline of revolutionary socio-political movements and the ascendancy of the financial and export elites. There is a dialectical interplay between imperialist power, globalist ideology and revolutionary socialist politics: the ascendancy of imperialism is directly related to the circulation of the globaloney discourse and the eclipse of the revolutionary paradigm.

The retreat of the Left intellectuals and the subsequent theoretical disarray of the popular movement contributed to the further strengthening of the imperial ruling classes: objective shifts in power resulting from political and economic successes were amplified by the ideological capitulation of the ex-Leftist intellectuals and the confusion sown in the popular movement. Left intellectuals and influential political leaders, having lost their conceptual anchorage, drifted from an imperialist conceptual framework to a technological determinism that undercut any notion of systemic transformative politics. The underlying political bases for the ascendancy of neo-liberalism (the ideological derivative of the globalization hypothesis), including the political and military defeats of the left, were slighted in favour of pseudo-explanations that pointed to historical economic imperatives.

The political and ideological hegemony of the globalist-neoliberal project was further enhanced by the combined rigidity and flexibility of the neo-liberal state: opportunities for upward mobility for private-sector professionals and ex-Leftist intellectuals ensconced in well-heeled NGOs and downward mobility for the mass of peasants, and wage-salary workers, particularly in the public social services. The project provided massive flows of capital, cheap mass-consumer imports in the expansive phase and crises, collapse and unprecedented rates of bankruptcy and unemployment in the deflationary phase. The Asian experience is a prototype of this process: political-economic victories for imperialism, the

ascendancy of globalist neo-liberal political economic power, capitulation and integration of the ex-Left, followed by crisis, collapse and mass immiseration.

In many countries that have undergone capitalist development, inequality has moved in three stages. First, inequality rapidly escalates. Second, the rise in inequality slows down and actually reverses. Third, inequality shoots up once again. Interestingly, when the United States was in stage two, some advocates of capitalism became very fond of egalitarian arguments. Whereas Marx predicted that capitalism would cause inequality to increase inexorably, the second stage seemed to show that wasn't true:

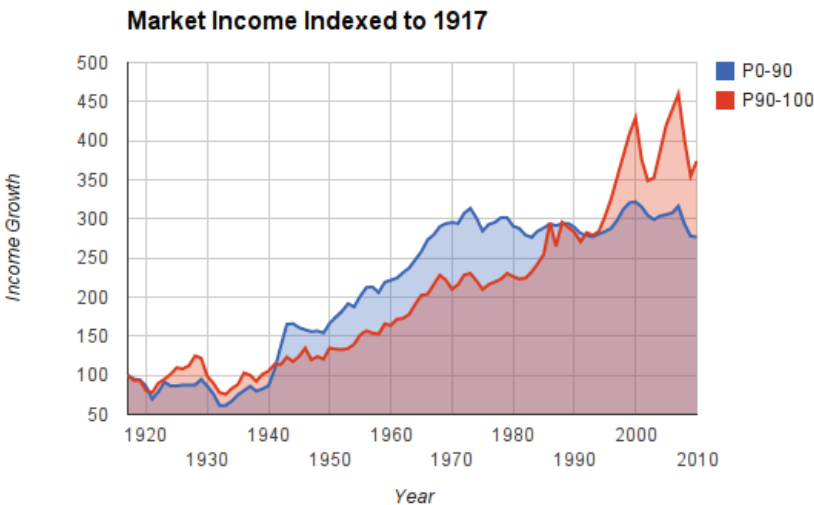


Figure 19: Market Income Indexed to 1917

As you can see (Figure 19), the market incomes of the bottom 90 percent (blue) actually grew faster than the market incomes of the top 10 percent (red) for quite some time, with the 1950s and 1960s being right on the crest of that trend. From this, Simon Kuznets, writing in the 1950s and 1960s, *developed a whole theory of two-stage capitalist development*, with the latter stage being a march towards egalitarianism. Although the rich continued to get richer, the poor got richer too and *at a faster pace*. Consequently, capitalism was supposed to generate an egalitarian order through this basic process.

This equalizing was not just empirically observed; it was also utilized normatively to prove that corporate capitalism was so great. Whereas, today, defenders of this system largely reject the importance of distribution and even call references to its class war and class envy, advocates during the period when greater equalization was coinciding with corporate capitalism trumpeted egalitarian distributions as extremely important and pointed out that this is precisely what we had and where we were heading. Of course, these were mostly opportunistic egalitarians, people who did not really care about equalizing distribution, but thought it worthwhile to pretend to so long as it could be mobilized to provide arguments for the system that they actually supported on other grounds. These opportunistic egalitarians twist their language frequently to blindfold the public, especially in the age of corporate globalization.

But what is clear is that globalization is an economic movement aimed at the unification of peoples under a plutocracy. It is economic because it is driven by international trade and the constant search for new markets, raw materials and ever cheaper labour. Its arrogance has created a coherent and compelling body of writing that exposes its flaws. Since 1984 the global scene has changed considerably. We are much more aware of the process of globalization than before. We are being forced to acknowledge our interdependence with the rest of the world. We can no longer ignore environmental and ecological issues. The Cold War is over, for the time being at least; yet there are many pockets of deep unrest and capitalist violence around the world in the frantic search for raw materials and markets, particularly in the Middle East that is torn and convulsed by violence perpetrated by people fit to be sent immediately into an insane asylum.

To undiscerning persons, the assertion that capitalism has destroyed almost all elements and structures of civilization will seem bizarre, because they “see” what appears to them to be the accoutrements of civilization all about them. They don’t realize that these are ersatz elements, fake entities made to appear as scientifically genuine. For example, the current U.S. federal government is made to appear as a representative democracy as

established by the Constitution. In actuality, the American federal government is a fascist, imperialist, militarist plutocracy ruled by a capitalist cabal. One of the reasons most people don't see that capitalists have destroyed most of civilization is that it has been a process of destruction by substitution--replacing:

- The genuine with the counterfeit and fake
- The truth with lies
- Democracy with capitalist fascism
- Civilization with barbarism
- Genuine elections with one-party charades
- Intelligent journalism with fake news
- Constitutional rights with legalized corruption and murder
- Freedom with totalitarianism

Counterfeit political, economic, and social systems have been substituted for older, partially-authentic systems, so that this new fake world appears to be intact and real. What occurred was no mere "paradigm shift" or new approach to politics; it's been a fundamental restructuring of human nature and human institutions. The ordinary world is currently populated almost entirely by sub-humans. The deranged cabal members who now rule the political-economic systems throughout the world delude themselves into believing that they can destroy people's minds and all elements of civilized behaviour and still have a functioning civilization. Their indiscriminate destruction of mental and social capabilities has inevitably led to the breakdown of their world. The cabal represents the modern Faust, the black magician who for the price of his damned soul, believes he obtains a supreme ascendancy over a world that is in fact a devastated wasteland.

Globalization as False Science: Theory and Practice

Globalization is a word loaded with meaning, and if applied in different contexts can have very different, even contradictory meanings. I aim to provide a brief genealogy of globalization that provides a major overview of the important elements independent of anti-globalist critique, to provide a context for the overarching discussions of globalization currently playing out. The important

elements of the genealogy include globalization as one the dominant economic discourse of our time, the discourses of large-scale globalization, the multi-national corporations and their proliferation, and the treaties and organizations which support globalization through policy and regulations.

‘Globalization’ is a multi-faceted term that embodies a variety of different meanings to different people. Merriam-Webster’s online dictionary defines globalization as: *the development of an increasingly integrated global economy marked especially by free trade, free flow of capital, and the tapping of cheaper foreign labour markets*. The economist Alan Rugman defines globalization as *“the activities of multi-national enterprises engaged in foreign direct investment and the development of business networks to create value across national borders”* (Rugman 2001, p. 4).

Tomlinson offers a more complex and multi-faceted view of globalization as *“simultaneous, complex related processes in the realms of economy, politics, culture, technology and so forth...”* (Tomlinson 1999, p.16). Appadurai recognizes a global cultural economy that is complex, overlapping and disjunctive, and that is best explored in terms of cultural flow and ethnoscapas, mediascapas, technoscapas, financescapas and ideoscapas (Appadurai 2007). A more encompassing definition of culture and economics is Paul Krugman’s of a globalization that is *“a catchall phrase for growing world trade, the growing linkages between financial markets in different countries, and the many other ways in which the world is becoming a smaller place”* (MacGillivray 2005, p. 5). Jagdish Bhagwati’s definition of economic globalization is that it *“constitutes the integration of national economies into the international economy through trade, direct foreign investment, short-term capital flows, international flows of workers and humanity generally, and flows of technology”* (Bhagwati 2007, p. 3).

Each description is based on a theoretical attempt to provide some context for the shrinking of the world’ we are experiencing, and the very visible entanglement of cultures, ideas and financial markets visible today. The very flexibility of the definitions of globalization informs all discussion of the term, particularly of the underlying cultural aspects of globalization. While this paper will focus the discussion of economic globalization, it recognizes that much of the discussion that surrounds globalization and anti-global

protest is influenced by the alternate readings of globalization like those presented above. This very limited idea of globalization is based on the economic origins of the term and also speaks to the economism that accompanies globalization. The word 'global' was used as an economic term when it came into popular use in the 1920s (MacGillivray 2005).

The journalist Thomas Friedman suggests that there have been 3 stages of globalization thus far, the first from the discovery of the 'New World' in the 1400s, the second stage from the 1800s with the establishment of multinational corporations and the third from approximately the year 2000 with the popularization of the world wide web and the ability for individuals to "collaborate and compete globally" (Friedman 2007, p. 10). The globalization of the 19th, 20th and 21st centuries is of a completely different scale than that of previous centuries and the growth has been exponential (Ellwood 2006). Despite the history of international trade and economy formation, economic globalization remains a relatively new phenomena.

At the end of the 19th century, international trade, migration and the flows of capital were on par with what occurs today (Bhagwati 2007). The countries best able to take advantage of these technologies were those that had already begun the process of industrialization, mainly western countries and their respective colonies (Ellwood 2006). Thus the ideologies of those countries were spread with the increased movement of peoples, especially of free-market economics and the like (MacGillivray 2006). The move to an information society has increased the spread of new economic theory and policy, in particular neo-liberal capitalism. One significant difference between international trade now and prior to the mid-20th century are the policies of governments that allow for the smooth flow of trade and investments globally (Bhagwati 2007). The form of globalization we see today is the direct result of policy and technology.

From the 1980s to 2008, globalization has been a significant factor in the spread of neo-liberal capitalism, of the economic reforms to privatize services and to liberate markets and increase global trade (Bhagwati 2007). This has coincided with an increase in

the power and scope of corporations across the globe, and the treaties and organizations. The 'lobalizers' who help direct and carry out the processes of economic globalization include the plethora of multi-national and transnational corporations, multilateral economic organizations like the World Trade Organization, the G8 group, the International Monetary Fund and the World Bank (MacGillivray 2005). Ultimately the manifestations of globalization differ from country to country, as different economic elements play out based on agricultural, industrial and technological development, national governments, GDP, local economic policies and total trade and exports (Thorn 2007). In 2006, The World Bank had estimated that if the world were to further liberalize trade by 2015, developing and industrial countries would stand to gain additional income of between \$1.3 and \$1.5 trillion each, and it would lift over 300 million people out of poverty (Woods 2006). The stated end goal of the WTO is to "improve the welfare of the peoples of member countries" (WTO 2008).

Neo-liberalism is based in the idea that governmental regulations on tariffs, wages and commerce distorts market forces, and thus overly interferes with the economy (Langman 2005). It instead extols Adam Smith's "laissez-faire" model, often suggesting the scaling-back and privatization of state services, which provides more capital for investment and which liberates the services to market forces (Langman 2005). Within neo-liberalism governments are only expected to fulfil basic core missions like income distribution, infrastructure, the military and the imposition of laws and justice (Taking back democracy 2005). Globalization and capitalism result in the applications of free markets, free trade, free labour and free enterprise to the global context (Kemple 2007).

The developments of global governance and international governing bodies have had a significant impact on the facilitation of corporate globalization in the 20th century (WTO 2008). Countries have united in a variety of international organizations and treaties in order to facilitate and manage global peace, relations and trade (MacGillivray 2005). The importance of managing trade, tariffs, taxes and understanding between nation-states, and in helping to guide the emerging global environment cannot be underrated

(MacGillivray 2005). These organizations include the United Nations (UN), as well as organizations with an economic bent such as the World Trade Organization (WTO), the International Monetary Fund (IMF) and the World Bank all of which are descendants of the Bretton-Woods Conference (MacGillivray 2005). In conjunction with global and regional trade agreements and treaties, these organizations are responsible for much of the policy that helps to facilitate and manage global finances. The spread of capitalist economic globalization is due to the earlier policies of these organizations and their predecessors which were eager to lend to countries that took a tough stance on communism (MacGillivray 2006).

The WTO was established in 1995 as the only global, international organization that deals with the rules of trade between nations. As the successor to the General Agreement of Tariffs and Trade (GATT) established after WWII, the WTO has had a significant impact on global trade policy (WTO 2008). The WTO works with trade, tariffs and other trade issues in order to smooth the way for and encourage world trade (WTO 2008). WTO agreements are negotiated and signed by the vast majority of the world's trading countries with the ultimate goals of helping producers, businesses and producers to conduct their business internationally (WTO 2008). It ensures that foreign markets remain open, the diversity of goods and services internationally as well as helping to decrease trade friction. The multilateral trading system' on which the WTO is based manages trade agreements as well as trade disputes, providing the basic ground rules to help govern the world economy (WTO 2008).

International Economic Organizations like the World Bank and the International Monetary Fund (IMF) have had a significant impact on international development since their inception in 1944. The IMF functions primarily as a lender of last resort for its member countries (Vines 2004). Its ultimate goal and charter is to facilitate "balanced growth of international trade, to contribute to high levels of employment and real income and the development of productive capacity... (To) seek the elimination of exchange restrictions that hinder the growth of world trade" (George 1988).

The World Bank has been chartered to “channel investment into projects within countries in need of reconstruction and development” (Woods 2006). The World Bank and the IMF were created to help balance the growth of the world economies, of international trade and to protect employment and standards of living in all countries (Woods 2006). They wield enormous power over national economic policies and world financing flows due to the sheer amount of economic influence they hold (Head 2008).

The IMF currently has 185 member countries, nearly all the countries in the world (Head 2008). As a condition for lending it may stipulate structural adjustments that include the liberalizing of a country’s trade and investment laws, the privatization of government-owned entities, and strengthening tax laws with the ultimate goal of improving the country’s economic stability (Head 2008). In the 1980s, the IMF and the World Bank began to increase pressures on countries to integrate into the World Economy (Woods 2006). The ultimate success of the IMF and the World Bank are as economic globalizers and as instigators of trade (Woods 2006). Part of the IMF’s role as a lender of last resort has been ensuring the continued viability of globalization and the economic system (George 1988). However, economic policy dictated by these organizations decreases the sovereign power of the nation-states it helps.

Neo-liberal policy in several major countries created the political and economic climate that resulted in the exponential and cross-border growth of many major organizations and corporations (Ellwood 2006). An increase in the use of consumer credit and the consumption of luxury and cultural goods was another. The majority of products and services are now produced, financed and distributed by multi-national corporations, whose reach extends across much of the populated world through global brands (Langman 2005). The combination of globalization and neo-liberal politics results in the realization of huge profits for corporations (Langman 2005). It was in 1981 that global corporations began their exponential growth, both in economic terms and in the number of them (MacGillivray 2006).

In 2006 there were over 63,834 transnational corporations (MacGillivray 2006). A ranking of the world's top 50 economies contained only four multinational corporations, but of the top 150 economies seventy nine of those are multi-national corporations (MacGillivray 2006). A major factor of the spread of many of those companies has had to do with their brands. The brand has effectively become the universal language of globalization (Klein 2000). They are certainly the most recognizable products of both multi-national corporations and of the global development of trade (Klein 2000). According to Business Week, in 2008 the top ten global brands were Coca-Cola, IBM, Microsoft, GE, Nokia, Toyota, Intel, McDonalds, Disney and Google (Best Global Brands 2008).

The Myth of Globalization

Certain markets may be global, but culture is not. It used to be said that we all live in one vast global village. I think they meant global shopping mall. But the idea that we are all cosmopolitan, that we have similar values and attitudes around the world, is a complete chimera. As many scholars have shown - and recent events in Egypt, Libya and Syria reiterate - humans do not 'think globally'. Local, national and regional culture, religion and politics are not ready to be swept into a waste bin labelled 'History'. Sociologists and psychologists, who have studied the way different nations think, always find the same pattern - a common Western template (by Western I mean Europe and North America, plus Australasia), and a handful of other less homogeneous regional patterns of thought. The latter are usually classified, with varying degrees of credibility and manipulation, into categories such as Chinese, Japanese, Hindu, Buddhist, Islamic, African, Orthodox-Russian, and Latin American. The thesis of a clash of civilizations propounded by Samuel Huntington was ingenious but forced, exaggerating the degree of similarity within each so-called civilization and the necessity for the civilizations to clash. As historian Niall Ferguson has said, the Middle East exhibits more a 'civilization of clashes' than a 'clash of civilizations'.

So if those of us in the West can't really claim to be citizens of the world - because there is no world civilization - how should we view our identity? I think we need a 'big' identity and a 'small' one. The latter could be local or regional or national. But the big one? I vote for Western identity. It has five compelling advantages. First, Western identity is grounded in a common history and geography, and a set of national identities that have many crossovers and similarities. Second, it goes with the flow of historical, economic and political events in the last 150 years - the unification of Europe as a trading entity, with increasingly fungible residence rights; the similarities and overlaps of how business is conducted; the relative eclipse of corruption; the long-term decline in violence and crime within the West (notwithstanding popular misconceptions to the contrary); the growth in the depth of democratic institutions and attitudes; increasingly equal treatment of women and minorities; the relatively frictionless coexistence of religions with the secular state; and the intertwining of Western political, economic and military organizations and alliances. For sure, there are deeply-felt differences on all these issues within the West, but there is less conflict on them than there used to be; and there is vastly more consensus and common ground than there is within other civilizations, or between the West and the Rest. Third, Western identity reflects the reality that there is a common mentality shared by all Westerners and not shared by non-Westerners.

Fourth, Western identity is broad and tolerant enough to allow for the celebration of ethnic, local and national differences, and of various sub-national and transnational European and American identities, while also being robust enough to mean something. Western identity is 'ethnically ecumenical' - it does not detract from Hispanic, black, Jewish, Irish, Anglo-Saxon, or any other North American or European identity; and it certainly does not pit one group against another, or Americans against Europeans. It allows all these groups and many others to feel deeply about their diverse identities without having to deny the need for broader community associations. Finally, Western identity has substantial ethical and social content, asserting the reality of a common community, a sense of being rooted geographically, with a rich cultural heritage

centred on ideals of human worth, responsibility, and potential. Western identity allows everyone, of whatever political, religious or lifestyle affiliation, to feel part of an inclusive community that embraces diversity and individuality, yet which is bigger than any individual and therefore helps to give meaning to his or her life.

In sum, Identity matters. In the last century, nationalism inflicted untold misery in Europe, leading to terrible wars and barbaric regimes. In contrast to nationalism, red in tooth and claw, Western civilization rests on the similar 'ideas' of Europe and America as communities of free, compassionate and responsible individuals. If those values are to go forward, and a positive sense of peace-loving communities is to be maintained, those of us who are citizens of the West need to find a space in our hearts and minds for allegiance to the West, to the combination and alliance of America and Europe and other ex-European settlements.

Neoliberalism and the “Antiglobalization Movement”

Much discussion of the protests in Seattle and since, particularly by state managers and in the media, has stressed the *novelty* and the *violent* character of the *antiglobalization movement*. The protests in Seattle in 1999, when protesters briefly succeeded in halting the meeting of the WTO and helped prevent the launching of a new round of trade negotiations, are represented as the defining moment of a new development in world politics. Policing agencies, shocked and embarrassed by the initial success of the Seattle protest, stressed the necessity of using more aggressive policing to counter the violent tactics of the “antiglobalization movement.” Following Seattle, similar protests took place in rapid succession at the IMF–World Bank meetings in Washington and Prague in 2000 and the EU summit in Gothenberg and the G-8 summit in Genoa in 2001, providing further evidence of the “movement’s” power and reach. Politicians and corporate media highlighted the violent character of the protests, and media images of violent “antiglobalization” protesters confronting rank upon rank of heavily armed riot police in mass demonstrations have become increasingly commonplace.

Representations of the protests and the people making them in these terms, however widespread and taken for granted, are unconvincing. For example, the protests have been overwhelmingly peaceful. As events in Gothenberg and Genoa suggested, in fact, the state, acting through the police, is responsible for most of the violence (e.g., Callinicos 2003). There are also good reasons for questioning whether the “antiglobalization” movement is new, antiglobalization, or a movement, despite repeated claims to the contrary (e.g., Crossley 2002). Making sense of the so-called antiglobalization movement and antiglobalization protests is hampered by the systematic misrepresentation—most often by state managers and the corporate media—of the protests, their character, and motivations. In this section, we locate the “antiglobalization movement” in its proper context, the long-term and worldwide critique of neoliberalism. This in turn will enable us to consider how its evolution has shaped its strategies and state responses.

What are conventionally labelled “antiglobalization protests” are directly linked to the long-standing effort to resist neoliberalism. Over the past two or three decades, criticism of neoliberalism has emerged from a wide variety of different locations. Increasingly, the views held by organizations and movements (such as *Third World Network*, Jubilee 2000, *Direct Action Network*, *Global Exchange*, the *International Forum on Globalization*, *Peoples Global Action*) and campaigns against particular corporations (such as Nike) or practices (such as sweatshops)—to name just a few—have converged on a common problem: the growth and expansion of corporate globalization. Naomi Klein nicely sums up both the central issue and the rapid evolution of the understanding of what is happening to the world that drives the struggle against corporate globalization: “We’ve gotten very good at naming the problem. It’s taken a while. In the three-year trajectory that I’m writing about, it went from a critique of a few bad apple corporations, to a critique of privatization, to a critique of neo-liberalism as it’s being enforced, to a deeper understanding that this is a stage of capitalism” (qtd. in Chihara 2002). Increasingly also, these and other organizations have combined in protests and events such as the “global street party” held on May 16, 1998, to protest a variety of

issues linked to the global political and economic system, its operation and consequences.

Despite the tendency to perceive this as a novel development in world politics, a perception reinforced by the success of movement histories such as Klein's *No Logo* (1999) and *Fences and Windows* (2002), global antineoliberal struggle is not new. Protests highlighted by the media in places like Seattle, London, and Davos between 1999 and 2001 are only the latest in a long series of events expressing the genuinely global extent of opposition to neoliberalism (e.g., Shah 2003). Contemporary "antiglobalization" struggles have their roots in the "food riots" and "IMF riots" of the 1980s that protested policies of structural adjustment allegedly "imposed" on debtor states in the global South by the IMF and the World Bank (e.g., Walton and Seddon 1994). International media inattention to the world outside the overdeveloped North, and the protests and struggles taking place there, has generated a systematic blindness to the immense impact of neoliberalism on the South. As a result, more recent struggles in places like Seattle appear novel and are attributed a significance that is misleading and overstated.

Meanwhile, "antiglobalization" protests large and small, the bulk of them outside the tunnel vision of the media, have continued apace since 1999 (Bircham and Charlton 2001). According to data compiled by the World Development Movement, since the Seattle protests in 1999 there have been more than 120 separate episodes of civil unrest in twenty-two poor countries directed at IMF and World Bank policies (Woodroffe and Ellis-Jones 2001; Ellis-Jones 2002). Contrary to representations of these protests as a novel development in world politics, then, arguably all that is new is the scale of the protests, their increasingly international and networked character, and the—admittedly welcome—media attention.

Contemporary criticisms of neoliberalism have emerged out of a long-standing and increasingly sophisticated set of efforts both to understand policies such as structural adjustment and to articulate alternatives to them. The rhetoric of "there is no alternative" (TINA for short), made famous by British Prime Minister Margaret Thatcher but also adopted by the international financial institutions, forced individuals, groups, and organizations opposed to

privatization and debt reduction, for example, to offer alternative solutions to the problems such policies purported to address. After almost two decades of work, elements of the “antiglobalization movement” are able, through organizations like the International Forum on Globalization (IFG), to put forward a sophisticated alternative set of proposals for how the world economy should be governed, organized around economic democracy and sustainability. As a result, claims made repeatedly by proponents of corporate globalization that there is no alternative to neoliberalism, that critics are merely protectionists in disguise, or that they offer no realistic and concrete proposals, ring increasingly hollow.

Indeed, neoliberalism is increasingly argued to be itself a utopian project, implausible on theoretical, empirical, and normative grounds: “To keep arguing as they do—that a system that homogenizes global economic activity and culture to benefit corporations, removes power from communities and puts it into global bureaucracies, marginalizes and makes homeless millions of farmers and workers, and devastates nature can survive for long—that is utopianism. It’s not going to work” (International Forum on Globalization 2002, 32).

Seen in this light, it is immediately apparent that for many of those who participate in the so-called antiglobalization movement, the issue isn’t globalization at all. Opposition to neoliberalism does not necessarily entail opposition to globalization. The term “antiglobalization” has been routinely rejected by prominent participants in the struggle as a media-imposed description of a more complex reality. Participants in “antiglobalization protests” at meetings of the WTO, IMF, and G-8 are typically not opposed to trade or globalization per se, only the neoliberal or corporate form these currently take. Far from being “antiglobalization,” through their actions the protesters are in fact turning globalization into a “lived reality,” and one “not restricted to a narrow series of trade and tourism transactions” (Klein 2002, xv). What they want is not globalization from above, by and for the rich and the powerful, but rather globalization from below, for the vast majority who are poor and weak. To label these struggles “antiglobalization,” then, is “at

best a contradiction, at worst a slander,” a better description, argues Susan George, would be the “global citizens movement” (2001).

Terms like “global citizens movement” are an improvement over “antiglobalization movement” and help clarify just who is participating in global actions such as Seattle and Genoa, but they also obscure the dynamics of what is happening. Convergence on common issues and problems—neoliberalism or corporate globalization—has not translated into either a common organizational structure or a centralized leadership. For this reason it makes little sense to refer to an antiglobalization or a global citizens’ *movement*. In part, this reflects the diverse origins of the different groups and organizations opposed to neoliberalism and the diverse character of the struggles in which they are engaged. Myriad differences—of emphasis, constituency, and strategy—persist. In part, too, it is also an expression of the broad-based commitment to democracy amongst the various movements opposed to neoliberalism. For this reason Naomi Klein suggests the phrase “a movement of movements” (1999).

It has become commonplace to criticize the “antiglobalization movement” as unrepresentative and undemocratic, but such representations again misrepresent a more complex reality. Significant elements of the “antiglobalization movement” are opposed to centralized leadership or the notion that democracy is synonymous with majority rule. Decision making often takes place through decentralized processes of deliberation and encompasses an explicit willingness to disagree, about tactics for example and the kinds of actions in which individuals feel willing to participate, whilst continuing to share an opposition to corporate globalization (e.g., Prokosch and Raymond 2002).

In Seattle, many of the participants in the action “were organized into small groups called affinity groups. Each group was empowered to make its own decisions around how it would participate in the blockade. There were groups doing street theatre, others preparing to lock themselves to structures, groups with banners and giant puppets, others simply prepared to link arms and non-violently block delegates. Within each group, there were generally some people prepared to risk arrest and others would be

their support people in jail as well as a first aid person” (Starhawk 2002, 135–36). Relations between groups, both in events like Seattle and in the “movement” more generally, are arranged in a series of more or less formal links and networks, within which particular groups and organizations retain their own identity and autonomy; hence Klein’s term: a movement of movements. The conception of democracy that emerges out of such processes is both richer than liberal democracy and defined in important ways against its perceived failings.

What is at stake in the “antiglobalization movement” and its struggle against neoliberalism and the burgeoning institutions of global governance, then, is neither “globalization” and “democracy” per se nor their absence. It is the quite dramatically different conceptions of what globalization can and should be—whether and in what ways it is inevitable, and to whose benefit it should be organized—and what democracy might mean—both in theory and in practice—that animates these movements and their critics.

Narratives of Globalization and Democracy

It is widely recognized that globalization was “the buzzword of the 1990s” (Hay and Marsh 2000, 1). At the beginning of the twenty-first century, to paraphrase Zygmunt Bauman, globalization is still “on everybody’s lips” (1998, 1). However, if “everyone” is talking about globalization, they are not saying the same thing. Analyses of globalization differ, often profoundly, over the conceptualization of globalization, its effect on the state, and its normative implications, amongst other things. There is no single account of what globalization is or what it means. Instead, we are faced with a large and diverse range of competing accounts, an ever-expanding “global babble” (Abu-Lughod 1991, 131). That said, not all discourses of globalization are created equal. Recognizing the existence of competing discourses or narratives of globalization opens up the question of how these discourses relate to one another and to other forms of social power as well as their effects. In this section, we compare and contrast the competing narratives

of globalization and democracy put forward by advocates and critics of neoliberalism.

Different discourses construct globalization in different ways, producing significant material and ideological effects. Put simply, the representations that people entertain about globalization—what they think it is and how they think it works—affect how they act. When allied with economic, cultural, and political power, this can render globalization discourse a self-fulfilling prophecy. As Hay and Marsh put it, “Somewhat ironically, the very discourse and rhetoric of globalization may serve to summon precisely the effects that such a discourse attributes to globalization itself” (2000, 6). At the same time, the discourse and rhetoric of globalization may also obscure or render politically neutral the agencies and relations of power through which this phenomenon is produced. For instance, understanding globalization as simply the way the world is, as something to which we must respond, serves significantly to produce the state of affairs alleged already to exist. Many discourses of globalization work by claiming that globalization is already upon us and that we must respond to its new “realities.” In implementing the policies supposedly designed to manage those “realities,” state actors render them true, or at least increasingly true, while also making it harder to see the ways in which “globalization” doesn’t just happen but must be made to happen.

“Liberalization Works”? Corporate Globalization and Democracy

At the heart of neoliberal discourses of globalization sits a narrative of progress, driven by technological change. This narrative presents globalization as evolutionary, inevitable, and beneficial. Using “history” as his evidence, Mike Moore, former head of the WTO, stated in a speech “In Praise of the Future”: “Globalization is a process, not a policy. It’s just accelerating. Just as we went from hunter-gatherer societies to agricultural, feudal societies and then into the industrial age, so today we are in the post-industrial age”. Governments and businesses do not debate globalization’s existence but respond to its effects. Driving this “process” is

technological change, which has made globalization “a fact of life”: it is “simply the latest phase in the evolution of international business and the integration of the world economy” (Fitzgerald 1997, 739).

The most important changes—both cause and effect of globalization—concern the expansion and institutionalization of free trade. The “integration of the world economy,” driven by technology, is an unambiguously good thing, according to the neoliberal discourse: “trade liberalization and economic growth” form a “virtuous circle” (Moore, “The WTO,” 2). “From the ancient Egyptians onwards the countries that have prospered—and not just economically—have been those that were open to new ideas, that traded” (Clare Short, qtd. in Underhill 2001, 2). According to *The Economist*, an enthusiastic globalization booster, the multinational companies that bring globalization to the developing world are “the embodiment of modernity and the prospect of wealth; full of technology, rich in capital, replete with skilled jobs” (Hooper 2001, 64). As Moore announced to a New Zealand audience in 2000: “Ladies and Gentlemen: I come to praise the future. There has never been a time in the history of our species when we have had such an opportunity to build better living standards and a safer and more secure world for all. Globalization is a part of this opportunity” (“In Praise of the Future” 1). The reason? “Liberalization works” (Moore, “The WTO,” 2).

Moreover, these benefits are virtually universal: “For the rich world, almost as much as for today’s poor countries, the next twenty-five years will be a time of unprecedented opportunity” (*The Economist*, qtd. in Hooper 2001, 65). Despite the recognition that globalization is developing unevenly—a recent IMF staff report acknowledges, “Some countries are becoming integrated into the global economy more quickly than others” (2000, 1)—the assumption remains that globalization will benefit the developing countries by producing economic growth. The IMF report continues: “Countries that have been able to integrate are seeing faster growth and reduced poverty” (2000, 1). Even more emphatically, Renato Ruggiero, another former head of the WTO, asserted in 1996 that “No one stands to benefit more from

globalization than developing countries” because “production is now mobile, capital footloose, technology diffuse. . . . Globalization has erased the old ground rules for economic growth, providing countries, once relegated to perpetual ‘third world’ status, the tools to fast-forward their development” (1996, 3). The WTO mantra has become that “Poor countries need to grow their way out of poverty” (Moore, “Promoting Openness, Fairness, and Predictability,” 4). Achieving this end, however, requires rewriting the rules of the world economy. “Globalization,” asserts Ruggiero, “is an evolving reality. Our choice is between managing this reality and taking advantage of its immense potential, or attempting to resist the inevitable” (1996, 7).

Despite the benefits that derive from free trade—including greater international peace and harmony—individuals and groups often have incentives to resist free trade, particularly if it threatens their established privileges in terms of exclusive access to markets, for example, or protection from competition in the provision of services. Governments too, for reasons having to do with the dynamics of liberal democratic electoral systems and election cycles, have incentives to reward their supporters and disadvantage their opponents in ways that distort the operations of the world economy.

The influence of lobbyists can shape policy in ways that reduce economic efficiency. Making free trade a reality requires the reduction of trade barriers and protectionism but liberal democracy in its formal institutional expression provides means by which groups and individuals can mobilize public power to secure private benefits that hurt other producers and consumers. Imbalances of power between states put small states at a disadvantage, while enabling stronger states to shape terms of trade in ways that may benefit them whilst undermining the global efficiencies free trade produces. For all these reasons, then, it is necessary to implement a set of rules and institutional mechanisms through which the ideal of free trade can be realized.

Mike Moore explained it like this in defence of the WTO: “People do want global rules. If the WTO did not exist, people would be crying out for a forum where governments could

negotiate rules, ratified by national parliaments, that promote freer trade and provide a transparent and predictable framework for business” (“The Backlash against Globalization?” 4). The past decade has seen a growing number of international agreements that taken together establish such a framework, in particular the North American Free Trade Agreement (NAFTA), the FTAA, and the General Agreement on Services (GATS).⁵ Through these means is brought into existence “a system of multi-layered global and regional governance . . . marked by the internationalization and transnationalization of politics, the development of regional and global organizations and institutions, and the emergence of regional and global law” (Held and McGrew 1998, 233). In the words of Ruggiero, speaking as head of the WTO, “We are no longer writing the rules of interaction among separate national economies. We are writing the constitution of a single global economy” (1996). The issue raised by a proliferating structure of global governance beyond the state, however, is, What happens to democracy?

Democracy in contemporary world politics is organized in territorial terms, within the context of particular sovereign states. The establishment of a global system of rules governing international trade, as both a function of past globalization and a commitment to a globalized future, potentially undermines the place of democracy in the brave new world envisaged by neoliberalism. The growth of new structures of governance beyond the state potentially puts in doubt the ability of citizens in liberal democratic societies to effectively express their preferences and exercise sovereignty. For proponents of neoliberal globalization, however, concerns about the process by which such arrangements are chosen and put in place, as well as their effects, are misplaced. From their point of view, democratic control of the process of globalization already exists. This is particularly apparent in the WTO, for example.

Recognizing that “Current trade rules affect the lives of everyone on this planet” (“The WTO” 1), Moore has been at pains to convince his audiences, “We are not a world government” (“In Praise of the Future” 4; “The Backlash against Globalization?” 4). Instead, the WTO is an intergovernmental arrangement and so is

democratically accountable. The agreements made by WTO are “negotiated by Ambassadors and Ministers who represent their governments. We operate by consensus and every member government, therefore, has veto power.” Moreover, “governments are in turn accountable to parliaments” and “elected parliamentarians are the measurable and accountable representatives of civil society” (“Openness, Fairness, and Predictability,” 2). At the end of this long chain, the people still rule. Contrary to the critics of neoliberalism, then, the WTO is the concrete expression, not the antithesis, of the democratic control of the global economy. No reason to worry, then. The discourse of neoliberal globalization paints an optimistic vision of a globalized future that rests on a liberal, market-oriented, techno-utopian individualism. Neoliberal discourses have not gone uncriticised, however. What, then, is wrong with neoliberalism?

Anticorporate Globalization and Democracy

Opponents of corporate globalization stress three interrelated concerns (e.g., International Forum on Globalization 2002). First, against the claims that neoliberalism will produce a dramatically richer and more peaceful world, critics argue that neoliberalism cannot deliver on its promises. Not only is the empirical evidence against the neoliberal model of free trade and its effects but the understanding of economic globalization itself also is wrong or a deliberate misrepresentation. Second, there is nothing inevitable about the “process” of globalization. Instead, it is the product of particular agencies and institutions, promoting some interests over others in pursuit of a very specific and contestable future, itself only one of many possibilities. In its dominant neoliberal form, globalization is the millennial dream of corporate capital (Smith 1997). Third, against the claims that corporate globalization is an expression of democracy, critics charge that both the means by which globalization is being pursued and its consequences work against the ability of citizens to exercise meaningful democratic control over their everyday lives. At the heart of all three lines of criticism, then, is an understanding of neoliberalism as a form of

political, economic, and cultural order promoted by and for corporate capitalism, not for the vast majority of the world's people; the critique of neoliberalism amounts to nothing less than "outing a global system" (Naomi Klein, qtd. in Chihara 2002).

Protests against corporate globalization have long focused on the democratic deficits in the process by which the global economy's new constitution is being written and cemented in place, both at the international level—in international institutions and agreements—and in the policies and practices of states around the world. For example, much attention has focused on the secretive means through which agreements like those of GATS are negotiated. A major target of contemporary neoliberal globalization is the privatization of public services, most notably public utilities, health, and education. It is difficult to organize effective resistance to these efforts if members of national and global civil society do not know what is under negotiation or on what terms. Lack of information about the content of negotiations also makes it difficult to assess the truthfulness of statements by state actors and international institutions—many of which turn out on inspection to be false or misleading—about the aims and effectiveness of international agreements (e.g., World Development Movement 2003).

Meanwhile, corporate interests enjoy privileged access to policy makers and play a dominant role in structuring the terms of debate in international negotiations such as those concerning the environment, which consistently define corporations not as a source of environmental degradation but instead as part of the solution to the environmental crisis—through the privatization of services, for example (see Chatterjee and Finger 1993). Democracy, both in substantive input into decision-making processes and in the legitimization of outcomes, requires transparency and good quality information, something simply impossible if negotiations are held in secret or interested parties are excluded from them altogether.

Critics of neoliberalism have also highlighted its antidemocratic consequences. In particular, critics have been keen to highlight the authoritarian character of the WTO. The WTO is a "rule-making and rule-supervisory organization" (O'Brien et al. 2000, 137).

Through its procedures, “the organization and control of vital national decisions have been gradually and irretrievably [*sic*] displaced from national control to a supranational organization shrouded in secrecy” (O’Brien et al. 2000, 136). Typical in this regard is the Trade Policy Review Mechanism (TPRM). It is through the TPRM, in part, that “trade liberalization is increasingly subjecting domestic policy and regulations to the standards of the global trade regime” (O’Brien et al. 2000, 137). The WTO thus “wields unprecedented powers of surveillance and enforcement” in the areas of trade in goods, trade in services, trade-related investment, and trade-related intellectual property issues. This produces the “‘harmonization’ of (formerly ‘domestic’) rules and regulations governing business insofar as these appear, from the neoliberal perspective, as potential non-tariff barriers to trade” (Rupert 2000, 45–46). In the process, the meaning of “free trade” is stretched to cover issues and relations that range far beyond “trade” as it is more commonly (and narrowly) understood.

Neoliberal constructions of the WTO as “a rules-based, member-driven organization—all decisions are made by the member governments, and the rules are the outcome of negotiations among the members”—obscure its role as a vehicle through which an authoritative discourse of liberalization is institutionalized and imposed on the world economy. Indeed, as the Summary of the Final Act of the Uruguay Round makes clear, “The WTO framework ensures a ‘single undertaking approach’ to the results of the Uruguay Round—thus, membership in the WTO entails accepting all the results of the Round without exception” (www.wto.org). The policy choices of democratic states, in other words, are at the mercy of a distant, technocratic elite. Similar relations are apparent in the policies and practices of the IMF and the World Bank. These globalizing institutions, also bastions of neoliberalism (e.g., O’Brien et al. 2000, 189–91), impose the discourse of corporate globalization on poor states as a condition of assistance. Another, if less global, example of supranational regulation is NAFTA. As some critics have argued, the policies of NAFTA “subordinate democratically developed standards to those created by supranational and democratically unaccountable entities. The

‘impact on trade’ would be the only yardstick for judging a large body of public laws with those who benefit from free trade as the judges” (Alternative Women-in-Development Working Group 1993, qtd. in Rupert 2000, 88).

Despite the liberal arguments praising globalization for its progressive effects on the freedom and prosperity of the individual person, understood essentially as a consumer and occasionally as a voter, globalization has thus far as often as not made things worse. This is especially apparent in relation to democracy. In a neoliberal world, democracy holds, at best, a paradoxical position. On the one hand, democracy in its liberal form is central to how neoliberalism explains and legitimates both the present state of world politics and the future. Neoliberalism equates democracy with polyarchy and defines it in an explicitly formal and institutional manner (e.g., Dahl 1961). What matters, from this point of view, is the character of the procedures through which governing elites are selected. By definition, if they are elected in free elections between multiple competing parties, governments are democratic. Policies adopted by such governments are also by definition democratic and legitimate. In the face of neoliberalism, however, such a conception fails even on its own terms.

The imposition of neoliberal policies through mechanisms of global governance such as the IMF and the WTO means “the flip side of neoliberal economic policies is the global crisis in representative democracy” (Naomi Klein, qtd. in Chihara 2002). Efforts to institutionalize global free trade severely circumscribe the ability of democratic publics to determine the political, economic, and social arrangements that shape their everyday lives (e.g., Fisher and Ponniah 2003). In George Monbiot’s words, “Everything has been globalized except our consent” (2003, 1). Faced with choices between candidates and parties who accept neoliberalism as the taken-for-granted framework of policy, voters are increasingly likely to withdraw from the electoral process: Why vote when all the meaningful questions about policy have already been decided?

From this perspective, neoliberalism is not the expression of democracy, as proponents claim, but its antithesis. “Contemporary post-sovereign governance is strewn with democratic deficits”

(Scholte 1997, 26). Mark Rupert puts it even more strongly: “Democracy is the unfulfilled promise of liberal capitalism,” he argues, “a promise which could not be met without calling into question the privileged status of private property, the powers of the class who owns it, and the social self-understandings of abstract individualism, which are attendant upon all of these” (2000, 5). Against the stipulated conception of democracy as liberal democracy, critics of corporate globalization such as Scholte and Rupert deploy a stronger conception, grounded in an appreciation of the historically mutable and contested nature of democracy in general and liberal democracy in particular.

There is a persistent tension in liberal democracy between liberalism—the rights of the individual person and of private property—and democracy—rule by the people (e.g., Bowles and Gintis 1986). Indeed, much of the history of Western European and North American societies is driven by struggle between these two ideals. It is in part through reflection on these histories that democracy has come increasingly to be understood not as a fixed set of institutional arrangements but as a project, as the product of political struggle over the degree to which diverse publics can participate in ordering the conditions of their lives. John Dryzek defines democratic projects in terms of scope—the range of social domains to which democracy is considered applicable—franchise—the number and character of those who may participate in deliberations about a domain—and authenticity—whether or not the deliberations take place in a clear, nontechnical language (1996, 4–6). Neoliberalism is in these terms a very thin form of democracy.

Democratic projects are also shaped by local and international relations of power. In other words, different forms of democracy are linked to the particular social contexts out of which they emerge and reflect the relations of power found there, of capital and labour, for example, or core and periphery. C. B. Macpherson and many others have pointed out that a capitalist socioeconomic order of the kind promoted by neoliberalism limits the democratic potential of liberal democracy and constrains the prospects for development beyond polyarchy (1977). The democratic deficits evident in contemporary world politics are not accidental or incidental to the

rise of neoliberalism; instead, they are a reflection of the implications of a neoliberal order for the forms democratic projects can take.

Applying the litmus test of democracy to neoliberalism, it turns out, is a powerful tool for “outing” the contemporary global system. Naming the beast has not been enough, however; despite temporary setbacks such as the failed effort to establish a Multilateral Agreement on Investment, the neoliberal project rolls on, promoted by governments of diverse political coloration and often in the face of large-scale political opposition. If neoliberalism is not on the ballot, or if political parties are willing to say one thing during elections and then do another once in office, voting is an ineffective means to register dissent from it. Recent resort to direct action on the part of the “global citizens’ movement,” and the emergence of the movement in the first place, is in large part a response to the perceived failings of “democratic” electoral politics.

The existence of multiple, sometimes overlapping, sometimes competing discourses of globalization and democracy highlights the political significance of these terms.

“Globalization,” like “democracy,” is multi-accentual in that different interests can be and are refracted in this sign (Vološinov 1986, 22–23). The meaning of globalization and the ability to define it authoritatively is contested because, as we noted above, the futures of world politics depend on the outcome of struggles in which the meanings assigned to globalization and democracy are central. The existence of competing visions of the future and the social forces that promote them also means that neoliberalism cannot be taken for granted but must be defended, by force if necessary. *The National Security Strategy of the United States of America* (NSS), released by the White House in September 2002, states unequivocally that the twentieth century issued in “a single sustainable model of sustainable success: freedom, democracy and free enterprise” (“Introduction”). According to the NSS, a central aim of U.S. security policy is to unleash a new era of global economic growth through the genius of free trade and free markets, in the service of producing a richer and freer world. The recent

onset of a worldwide war on terrorism has not superseded neoliberalism; indeed, the two are inseparable.

“Antiglobalization” Protests and the State

Despite the increasing sophistication and strength of the case against neoliberalism, and the growing number and organization of groups opposed to neoliberalism, recent years have witnessed neither retreat nor reform but rather acceleration of the efforts to put in place a global free-trade regime. In one forum after another, corporate globalization has become more entrenched, often aided and abetted by social democratic and labour parties—as in Britain, New Zealand, and South Africa, for example—dependent for electoral support on the very groups most disadvantaged by the privatization of public services and the adoption of free trade. Critics have also made relatively little impact on the international financial and trade institutions, which continue to celebrate and enforce corporate globalization. Looking back over two decades of largely ineffective efforts to resist neoliberalism, Naomi Klein observes, “we’re winning the argument but losing the war, because we have I think failed to really think seriously about power and how political change happens.

I think many scholars on the left still believe that it is about winning arguments, it’s about marshalling facts, being damning, just kind of auditing the record. And maybe we’re not thinking about the fact that nothing’s going to change until we really start organizing counter powers that can be countervailing forces to the impunity we’re seeing from corporations or the state” (qtd. in Chihara 2002). It is in this context—of an increasing scepticism that governments and international institutions were in fact amenable to intellectual persuasion—that groups opposed to neoliberalism have turned increasingly to forms of direct action, both peaceful and, for a small minority, violent.

In much discussion of globalization—by both proponents and critics of neoliberalism—the role of the state in the world economy is understood to be diminishing. Globalization is about the escape of corporations from state control and this is seen, depending on one’s point of view, as either a positive or a negative development:

reduced state control contributes either to greater economic efficiency as businesses make decisions on strictly economic grounds or to greater power for business over citizens as it escapes the reach of their duly elected representatives. In both scenarios, the escape of capital from the state is taken for granted. Such understandings, however, seriously misunderstand the role of the state in the world economy. Economic activity depends on the presence of public authorities able to define, defend, and ensure property rights. Currencies remain a state responsibility. Businesses also depend on the state to ensure a “good business climate,” whether in low and stable interest rates, a well-trained and disciplined labour force, or the provision of physical infrastructure, for instance.

Most discussion of the central importance of the state to globalization focuses on its economic functions (e.g., Panitch 1996)). Analysis of the role of the state in the recent wave of “antiglobalization protests” in North America and Western Europe highlights the continuing centrality of the state’s coercive function in the context of neoliberal globalization. It would be a mistake, however, to see the state as simply *reacting* to the actions of protesters. Opposition to neoliberalism is itself a reaction to the prior use of state power to impose neoliberal policies on people and communities around the world. The state—and its various functions: economic, social, cultural, and coercive—has been and continues to be central to neoliberalism and its imposition and defence.

State “reaction” to the recent wave of “antiglobalization” protests in North America and Western Europe has taken two closely related forms: the criminalization of dissent and, particularly after the attacks of September 11 on the World Trade Centre and the Pentagon, the securitization of protest. In the process, the space for democratic expression has been significantly narrowed. We discuss these “reactions” through brief analysis of the 1997 protests at the Vancouver meeting of APEC, one of the best-documented instances of liberal democratic state policing of neoliberalism, and the impact of post-September 11 antiterrorist legislation on the right to dissent.

The Securitization of Protest

It is often mistakenly assumed that the increased policing of political dissent evident in the state's response to "antiglobalization" protests is largely a reaction to the attacks on the World Trade Centre and the Pentagon on September 11, 2001. In fact, most of the measures rushed into legislation in the aftermath of the attacks had been in preparation before September 11. The primary effects of the attacks were first to make it easier to pass into law legislation that previously had been subject to challenge and second to make the link between protest and security tighter. In many legislative responses to September 11, protests against corporate globalization are lumped in, either explicitly or implicitly, as forms of terrorism with very different events like the attacks on the World Trade Centre and the Pentagon (e.g., Panitch 2002). In equating political protest, and antiglobalization protest in particular, with terrorism—however misleading if not simply wrong it might be to make such an equation—political protest has come increasingly to be defined as a security issue. In short, protest has become securitized, with highly damaging consequences for democratic expression.

In the immediate aftermath of the September 11 attacks, major pieces of antiterrorist legislation were passed in the United States, the European Union, and elsewhere. A common feature of this legislation is to expand the array of measures available to state agencies in dealing with a range of activities deemed terrorist in nature. The qualification is necessary because, in the process, the definition of what constitutes terrorism has been both expanded and made more imprecise. As a result, it has become easier to treat public protests and demonstrations—and the persons and organizations that participate in them—as terrorist. In Europe, the main piece of legislation was the EU Framework Decision on Combating Terrorism, which passed through EU Council and the European Parliament before Christmas 2001 and came into effect on June 23, 2002.⁶ The Framework is binding and must be

incorporated into national law in EU member states and those seeking to become members.

Article 1 of the Framework defines “Terrorist offences” to include “the following list of intentional acts which, given their nature and context, may seriously damage a country or an international organization, as defined as offences under national law, where committed with the aim of: i) seriously intimidating a population, or; ii) unduly compelling a government or international organization to perform or abstain from performing any act, or; iii) seriously destabilizing or destroying the fundamental political, constitutional, economic or social structures of a country or an international organization.” Under article 1.iii.e, these offenses also include “causing extensive destruction to a government building or public facility, a transport system, an infrastructure facility, including an information system, a fixed platform located on a continental shelf, a public place or private property likely to endanger human life or result in major economic loss” (qtd. in Bunyan 2002, 3).

As Tony Bunyan points out, it is relatively easy to imagine circumstances in which such a definition could be made to apply to the actions of protesters at a meeting of an international organization such as the IMF or the WTO. “There are millions and millions of people who, quite rightly, want governments or international organizations (NATO, WTO, etc.) to ‘perform or abstain’ from many acts. If this ‘aim’ is furthered by demonstrations/protests that result—for whatever reason—in, for example, extensive damage to private property resulting in a major economic loss, then these people become ‘terrorists’ through the effects of their actions” (2002, 3). Further reinforcing such concerns is the failure of the majority of EU governments explicitly to protect citizens exercising their democratic right to protest from the provisions of the Framework. Notably, actions by the armed forces of a state in the exercise of their official duties are so excluded.

Similar concerns about the reduced scope for protest after September 11 are raised by the USA PATRIOT—the United and Strengthening America by Providing Appropriate Tools Required to

Intercept and Obstruct Terrorism—Act, which became law on October 26, 2001. The massive, 342-page bill was passed without committee debate or public hearings and was the subject of almost no floor debate in Congress. In the U.S. House of Representatives, amendments to the bill were not permitted. Section 802 of the Act creates the new federal crime of “domestic terrorism.” Domestic terrorism includes “acts dangerous to human life that are a violation of the criminal laws” if they “appear to be intended... to influence the policy of a government by intimidation or coercion” and if they occur “primarily within the territorial jurisdiction of the United States.”

As Nancy Chang observes, the vague and expansive nature of this definition makes it easier for federal law enforcement agencies to read it “as licensing the investigation and surveillance of political activists and organizations based on their opposition to government policies. It may also be read by prosecutors as licensing the criminalization of legitimate political dissent. Vigorous protest activities, by their very nature, could be construed as acts that ‘appear to be intended . . . to influence the policy of a government by intimidation or coercion.’” In addition, she argues, “clashes between demonstrators and police officers and acts of civil disobedience—even those that do not result in injuries and are entirely nonviolent—could be construed as ‘dangerous to human life’ and in ‘violation of the criminal laws.’” Environmental activists, antiglobalization activists, and antiabortion activists who use direct action to further their political agendas are particularly vulnerable to prosecution as ‘domestic terrorists’” (Chang 2002).

As even these very brief sketches of the legislation rushed into place in the European Union and the United States after September 11 suggest, similar conceptions of terrorism are being deployed on both sides of the Atlantic. Moreover, it is also apparent that the kinds of activities that might count as terrorism are sufficiently broad and loose as to encompass many of the types of actions taken by opponents of neoliberalism. As we have argued, at the core of the opposition to neoliberalism sits an overt and abiding concern about the implications of neoliberal policies for democracy. Put differently, the opposition to neoliberalism is not

antiglobalization—as politicians and international bureaucrats regularly charge—but prodemocracy. In the aftermath of September 11, such protest is increasingly understood in liberal states as a threat to state security. The implications for efforts to challenge neoliberal policies, and for the future of democracy more generally, are frightening.

Despite, or perhaps because of, its wild diversity, the antiglobalization movement has in recent years emerged as a force with which to be reckoned. Leaders of the major institutions of global economic governance, including the World Trade Organization (WTO), the International Monetary Fund (IMF), the World Bank and the G-8, can find practically no city in the world where meetings will not be plagued by rowdy demonstrations and the scent of tear gas. Pressure from antiglobalization non-governmental organizations (NGOs) played a role in the failure of the Multilateral Agreement on Investment (MAI) negotiations, the collapse of efforts to launch a new “millennium round” of global trade negotiations and resistance in the United States congress to granting President Clinton unfettered fast track trade negotiating authority. The anti-sweatshop movement has harried Nike and a number of other corporations into promising improvements in labour conditions at the factories that produce their goods. Protests stemming from the Shell Oil Company’s alleged complicity with government repression in Nigeria forced Shell to develop a new corporate code of conduct regarding human rights issues. A number of other firms have followed suit. The list of these and other recent successes is impressive.

Yet the antiglobalization movement has thus far mostly focused on slowing the juggernaut of corporate globalization and resisting the most egregious of governmental and corporate abuses. What has yet to emerge is a coherent and widely accepted vision of an alternative future. Amory Starr’s provocative book surveys and assesses both the concrete goals and the philosophical worldviews that animate many of the groups involved in the struggle to craft an alternative to globalization as it is currently taking shape.

This is not simply another review of “the debate” over globalization. Starr accepts without question the damning critiques

of globalization that have originated with others. Her focus is on the varieties of resistance to globalization and where they may lead. Globalization itself is treated as symptomatic of a deeper and more insidious disease; namely, the domination of modern political, economic and cultural life by large, powerful, globe-spanning corporations. Big business firms serve as the “agents” of globalization and should, in Starr’s view, be considered the primary targets of popular resistance.

Starr’s survey of more than a dozen distinct popular social movements assesses the degree to which each places anti-corporate motivations at the centre of its ideology and strategic vision. In keeping with the book’s rather blunt title, Starr’s treatment of these popular social movements focuses on “... how they understand their enemy, and how they envision rebuilding the world” (p. x). Relying heavily upon organizational web sites as her primary data source, Starr limits her attention to movement rhetoric and ideas, leaving aside any attempt to “evaluate the movement’s size, scope, practices or chances for success” (p. xi). In general, Starr reserves the most praise for those groups which explicitly treat corporations as “the enemy,” while chiding groups that are insufficiently anti-corporate in their rhetoric.

Starr classifies each group or movement under one of three “modes” of resistance to corporate globalization: 1) contestation and reform; 2) globalization from below; and 3) delinking, or relocalization. The author explicates the logic underlying each mode while illustrating the diverse uses to which this logic or strategic perspective is put by various groups falling under each approach. A theoretical chapter at the beginning of the book draws upon various sorts of critical theory (e.g., Marxist, feminist, post-modernism, etc.) to identify useful concepts for the analysis of agency and structure in relationship to understanding anti-corporate social movements. A final chapter draws comparisons across the movements examined earlier in the book and summarizes the author’s own conclusions about the merits of various approaches to constructing an alternative to corporate-globalization.

This is a dense, difficult and often frustrating work. The audience for Starr’s book is uncertain. Activists will likely find the

book's structure and prose too academic in nature to suit their tastes or needs. Many scholars, on the other hand, will dismiss the book as a heavy-handed polemic. Some parts of the book, especially the theory chapter, are almost unreadable, although the flow improves considerably when Starr reports in relatively straightforward fashion on what grassroots activists are actually thinking and doing. The book's argumentative and often militant tone will irritate some while inspiring others.

Substantively, this reviewer found far more with which to disagree than to agree, as the following critique will suggest. As an example, "The Foucauldian tug-of-war positions his recognitions alternately as liberatory rupture of the idea that political economy structures the rest of our social institutions, or as merely adding, along the lines of the Frankfurt School, further useful analyses of exactly how the structure structures" (p. 2).

In fairness, however, it must be said that Starr's book serves a number of laudatory purposes. It is one of the few works to attempt a broad survey of the loose coalition of antiglobalization groups and movements that first captured public awareness in the streets of Seattle during the 1999 meeting of the World Trade Organization.

Two other excellent books, published before the Seattle protests but covering much of the same ground, are Keck and Sikkink (1998) and Smith (1997). More importantly, Starr's book is a powerful stimulus to thought and debate. One wearies, after a time, of the staid, cautious and, frankly, dull conventions of academic writing. Surely the vast tide of scholarly books and articles on the amorphous topic of globalization in recent years already includes more than enough specimens of the sort of bland, repetitious and pointless work that fails to either inform or provoke. In the course of reading Starr's contribution to this body of literature, however, the present reviewer found himself alternatively enraged, amused and challenged. Hours after laying down the book, one continues to imagine oneself engaged in an energetic verbal sparring match with a forceful, opinionated opponent. That is itself refreshing.

Nevertheless, the book's weaknesses outweigh its strengths. A good place to begin is with Starr's three modes of resistance. Each of these categories is home to a bewilderingly eclectic variety of movements. Land reform, peace, human rights and cyberpunk movements are all lumped together as examples of "contestation and reform." The "globalization from below" mode encompasses the environmental, labour, socialist, Zapatista and anti-free trade movements. The anarchist, sustainable development, small business, sovereignty and religious nationalist movements are placed under the "delinking" mode. This scheme gives rise to considerable confusion, starting with Starr's conception of what constitutes a "movement."

It seems odd to consider "small business" a social movement - much less an anti-corporate movement. The term "cyberpunk" would seem better adapted to describe a literary genre or perhaps a cultural sensibility than a consciously organized movement. The Zapatistas are less a distinct movement than revolutionary group that has affinities with a number of broader movements, such as the indigenous rights or land reform movements. Treating apples and oranges as if they were like units leads to strained comparisons and conclusions.

Moreover, the three modes are themselves inadequately conceptualized. The first two modes, in particular, are insufficiently distinct from one another. "Contestation and reform" is meant to characterize movements that seek to constrain and redirect corporate practices through external pressure, such as state regulation or consumer boycotts.

The second mode - "globalization from below" - is not so much an alternative to the first mode as an extension of it beyond the boundaries of the nation-state. This second mode foresees the development of a global civil society that will unite around common humanitarian goals, such as peace, justice, ecological protection and human rights. Given that capital mobility places serious constraints on effective action by individual states, second mode movements seek to strengthen global institutions that embody the legal and moral principles they support. Only global structures of control can guarantee that corporations are left with no place to hide. There is

no compelling analytic reason to distinguish between these first two modes. Each seeks to tame the excesses of market capitalism by subjecting corporations to democratic control at either the national or global levels.

The third mode is, however, quite different from either of the first two. Third mode movements seek not to control corporations but to banish them from liberated territories. “Relocalization” or “delinking” would reverse the process of globalization, instead centring market activities and political authority in the hands of local communities, each free to chart their own distinctive course. From a third mode standpoint, the principle problems of modern life concern issues of scale. Large-scale, centralized structures of economic and political power, including big corporations, nation-states and international organizations, all serve to render authority more distant from the control of average people and communities. The most important challenge, from a third mode perspective, is to wrest power away from large, impersonal and bureaucratic institutions and relocate decision-making at the level of local communities, which operate on a human (and humane) scale of social organization.

Starr is not content to merely report on the philosophical and strategic visions of the movements she sets out to investigate. She freely dispenses her own praise and criticism of various ideas, proposals and actions. Given the book’s stated sympathies toward grassroots social action, Starr is surprisingly harsh in her judgments about many of the most well established progressive movements. Starr treats the micro-credit movement as a debt-trap for the poor. Peace groups who advocate the conversion of military industries to peaceful uses are criticized for buying into the industrial paradigm. Starr chides the anti-sweatshop movement for treating the abuse of workers as a case of corporate deviance rather than the product of a broader systemic logic.

“Fair trade” campaigns organized by human rights groups to improve the terms of exchange for Third World producers are denounced for sustaining Southern dependence upon the North while encouraging consumerist habits among the wealthy. Environmental groups that negotiate with corporations in the

interest of moving the latter toward greener production processes, technologies and products are denounced for collaborating with the enemy and legitimating corporate power. The movement for sustainable development is guilty of buying into the concept of “development” and ignoring the fatal contradiction between the latter and any meaningful concepts of ecological or cultural sustainability. Organized labour is dismissed for its complicity with the existing corporate-dominated political and economic order.

The heroes of Starr’s book are those movements that have demonstrated uncompromising attitudes toward the corporate order, such as hackers (“Hacking can be heroic” (p. 76)), anarchists and Zapatistas. In contrast with most leftist commentators, Starr also embraces religious nationalist groups, such as the Christian/Patriot movement in the United States about which she states:

The movement has a number of legitimate political and political economic concerns about local economics and politics. Like religious nationalism elsewhere, the Christian/Patriot movement has racist elements, and, like movements elsewhere, panicked accusations of racism are being used to delegitimize core concerns and proposals, which are democracy, populism and the rights of locality (pp. 141-142).

Religious nationalists, whether right wing Christian fundamentalists in the United States or militant Islamic movements elsewhere in the world, should be viewed as potential allies or converts because they share with the left a suspicion and active resistance to pro-capitalist states, corporations and international organizations. Starr notes, for instance, that the Freeman and the militia movements in the United States hold “conspiracy theories” that “differ little from left-wing analyses, emphasizing the Trilateral Commission, the New World Order and GATT” (p. 142). This, in Starr’s view, is a recommendation, not a criticism. Starr herself at one point affirms the view that “There has been a conspiracy” (p. 8).

In general, Starr shows a clear preference for third mode movements over those associated with either of the first two modes. She rejects the “Lockean” and “Keynesian” character of

first mode reform movements. Reformers hold out the promise of a refashioned social contract, one encompassing business, workers and popular movements and largely administered by a liberal democratic state. Starr, however, dismisses the idea that any social contract structured along these lines could possibly serve popular interests. Instead, Starr asserts, “social contracts are ameliorative. They pacify the working class temporarily to facilitate relatively undisrupted pursuit of capitalism and are rescinded as soon as politically possible” (p. 171).

Second mode visions of “globalization from below” are also flawed, in Starr’s view. Movements in this mode want to use centralized and bureaucratic international organizations and agreements as instruments to impose universalized and standardized conceptions of rights and duties on a world of diverse cultures and values. Despite the anti-corporate thrust of second mode movements, the bland, homogenized future they envisage would locate power and authority in global bodies even more distant from the control of average people than at present.

Reformers in both the first and second modes are too often tempted to collaborate with the enemy; namely, corporations. Although reformers challenge corporate practices, too often their strategic objective is some sort of negotiated deal in which corporations and their critics work out a solution acceptable to all. Starr characterizes this attitude as “dangerous” on the grounds that the process of negotiation is itself a way of “legitimizing” the corporate order (p. 79). “Coming to the table to negotiate often means accepting the corporate project, therefore negotiation tends to benefit corporate interests. Negotiation brings activists into a process of collaboration with the company, gets them invested in a non-oppositional process and changes the issues of ‘salience’ from sitting (or not) to technical issues of operation, safety, and so on” (p. 157).

Starr’s critique of first and second mode reformers is overdrawn. Given existing power relations, negotiation with states and corporations is an inevitable phase in the struggle for social change. To the degree that they are successful, movements that begin with militant street action must alter their tactics and rhetoric

as their issues move into the mainstream. As popular movements gain moral capital with the public at large, they come to pose threats to the legitimacy of states and firms. But this moral leverage can only be translated into real change through a process that involves bargaining with one's adversaries.

Compromises are inevitable once the struggle reaches legislatures and boardrooms. As Starr suggests, the resulting changes are piecemeal in nature and both states and firms recover a degree of legitimacy from the process. But social movements that adopt an uncompromising stance - refusing to cash in their moral chips - risk either repression or irrelevance. Successful revolutions are rare, and more uncommon still are those revolutions that actually fulfil the initial dreams and promises of the revolutionaries. It is not surprising that most grassroots movements eventually settle for partial (but meaningful) victories. Starr's uncompromising attitude stems in part from the way in which she defines the modern corporation:

'Corporate' as an adjective refers to the operating principles typical of such enterprises, such as prioritizing profit and growth over all other values; profiting on uncosted externalities, such as the environment, quality of life, environment, worker's health, stable jobs and community; and pursuing the homogenization and increase of consumption in order to maximize markets. (p. xiv)

While not inaccurate in broad outline, this picture fails to account for the fact that corporations vary in the degree to which they engage in anti-social behaviour.

In their search for profit, not all corporations employ sweatshop labour, or dump toxic chemicals or collude with states to deny human rights to local communities. The prevalence of such activities differs depending upon the nature of the industry, the type of products produced and, most importantly, the external constraints firms face. Corporations are vulnerable to outside pressures brought by socially-minded consumers, investors, the media and state regulators, each of whom controls assets crucial to corporate survival and success.

Corporations are not inherently evil. Indeed, the modern corporation represents an agglomeration of social assets -

knowledge, technology, organization, and capital - that are crucial to the management of modern economic life. The chief challenge is how to reconcile private control of these assets with public interests. In principle, at least, this should be achievable by creating a web of democratic rules, constraints and obligations that steer corporate practice - in short, by fashioning just the sort of social contract that Starr rejects but to which most contemporary social movements aspire in some form. This brings us to the heart of Starr's argument - her advocacy on behalf of third mode movements. Starr's uncompromising attitude toward contemporary states and corporations, her critique of "globalization from below," her defence of religious nationalism - all of these become comprehensible once we understand the values and assumptions underpinning her own preferred alternative future.

While corporate globalization is the ostensible bogeyman of Starr's story, the real villain is modernization itself. Among the prominent features of modern life that Starr denounces are science and technology ("scientists are nearly always wrong about the things that matter" (p. 127), the green revolution, bureaucracy, the contemporary state, liberal democracy, economic growth ("Growth as a definition of development has failed utterly" (p. 14), urbanism and consumption. In many places in the book, Starr identifies with a pre-modern vision of locally self-sufficient village-level communalism. Her intellectual and moral roots lie in the 19th century romantic tradition and in anarchist intellectual currents of the same period.

For Starr, "delinking" and "relocalization" are necessary starting points for recreating imagined utopias that draw upon rural, pre-industrial traditions. Starr stresses the importance of conceiving political economy in terms of some sort of "moral order" (pp. 145, 190), which is one reason that she defends religious nationalist movements and rejects critiques that associate rural village life with parochialism and intolerance. Her neo-traditionalist vision reflects a longing for the return of human-scale communities in a world that is all too centralized, rationalized, bureaucratized and dehumanized.

From the standpoint of devising a practical program of social change, the drawbacks of this vision are palpable. The often grim

realities of pre-modern rural life, whether in the past or the present, are a far cry from Starr's romanticized ideal. Starr's protestations that religious nationalism can be reconciled with the values of tolerance and pluralism are unconvincing given real-world evidence to the contrary. Most obviously, Starr's vision is profoundly ahistorical. There is no going back (or forward) to a world untouched by the pervasive influence of modernity. Nor can the process of globalization itself be reversed or undone. While it is quite feasible to relocalize some sorts of decision-making, "delinking" in the sense of cutting the bonds of interdependence across communities and restoring genuine self-sufficiency is untenable. Nor is it apparent that many people would prefer this sort of world.

Starr's "back to the future" style vision thus fails as a viable political project. Nevertheless, this yearning for some escape from the "iron cage" of modernity is one with which many people can identify and has provided the basis for recent post-modern cultural and intellectual movements.

As Starr's survey demonstrates, there exist a wide variety of sometimes clashing ideas about both strategy and goals among the many groups and movements seeking to resist or alter the trajectory of globalization. While this diversity robs such efforts of cohesion, coherence and clear direction, it also contributes to a more vibrant and inclusive grassroots politics and leaves open many options for the future. There is no need to impose premature closure on the direction of struggle. Pluralism is messy, confusing and unpredictable. But a decentralized, open-ended politics makes sense under present circumstances as humanity sorts through the uncertainties and implications of a complex process of globalization.

Conclusion: Globalization/Antiglobalization and the Future of Democracy

As we have shown, popular opposition to the policies and practices associated with neoliberal globalization is not a new phenomenon. "Antiglobalization" has an international history—

even if not under that name—in protests against the IMF and the World Bank. While acknowledging this history, however, our focus in this paper has been on the recent set of protests typically highlighted by the corporate media and by leading elements within the various “antiglobalization” movements themselves. Unlike past and present opposition to the IMF and the World Bank, the great bulk of which has occurred in the developing world, these protests have also taken place in the overdeveloped states of the North.

In part, this location explains the attention they have received from the global media. Within contemporary discussions of world politics, these societies—North America and Western Europe in particular—are often held up as models to the rest of the world of what a modern liberal or market democracy looks like. Analysis of antiglobalization protests and the reaction they have engendered here—in well-established liberal democracies such as Canada, Britain, Italy, and the United States, for example—helps us better appreciate the all-too-real limits of democratic expression and the control of political power in our world. It also provides a better insight into the future of democracy in a neoliberal world.

Contrary to myths of progressive enlightenment in liberal democracies, the savage policing of political protest, particularly of labour but also other marginalized groups, has long been a defining feature of public life in both the North and the South. In this sense, the evident willingness of quintessentially liberal states to coercively police antiglobalization protests is nothing new. However, as the array of social subjects rendered insecure by the ongoing processes of neoliberal globalization continues to expand, so it becomes increasingly difficult for the state not only to present itself as the representative of all its citizens but also to claim that the protests are the actions of a radical, marginal few.

The emergence of a “global citizens’ movement” suggests just how wide is the social impact of neoliberalism. Perhaps this helps explain growing limitations on free speech, civil liberties, and popular protest itself, and also answers the question: “Why must every meeting of the world’s financial managers be accompanied by police tactics to stifle free speech and disrupt the opposition?” (Guma 2001). The implications of corporate globalization and the

growing criminalization of dissent it seems to entail—even for those states long held up as the very models of liberal democracy—is the building of “chain link democracy” (Braun 2001, 7).

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The Road to Scientific Paradise

Overview

Studies of global history and the history of globalization have, among many other subjects, dealt with issues of knowledge and science. Some of these studies have been examined from the perspective of a history of the globalization of “scientific knowledge”. From this perspective, several key questions arise. First and foremost: what role is knowledge considered to play in the concert of other factors of globalization? Frequently, globalization studies place economic, political or cultural developments in the foreground. The second question is therefore how knowledge is considered to interact with these other factors. The third question concerns the relationship between non-Western knowledge and science. How is this relationship understood in recent histories of globalization? And how can an understanding of science biased by the European tradition be overcome? The fourth question concerns the dynamics of knowledge development: how does knowledge change over long historical periods as they are covered by recent studies of globalization? These are the issues addressed in this chapter.

Introduction

Science, surely, has always been in the forefront of the fight against authoritarianism and superstition. It is to science that we owe our increased intellectual freedom vis-a-vis religious beliefs; it is to science that we owe the liberation of mankind from ancient and rigid forms of thought. Today these forms of thought are nothing but bad dreams-and this we learned from science. Science and enlightenment are one and the same thing-even the most radical critics of society believe this. Kropotkin wants to overthrow all traditional institutions and forms of belief, with the exception of

science. Ibsen criticizes the most intimate ramifications of nineteenth-century bourgeois ideology, but he leaves science untouched. Levi-Strauss has made us realize that Western Thought is not the lonely peak of human achievement it was once believed to be, but he excludes science from his relativization of ideologies. Marx and Engels were convinced that science would aid the workers in their quest for mental and social liberation. Are all these people deceived? Are they all mistaken about the role of science? Can they all be the victims of a chimera in this era of corporate globalization? These are the key questions this study has been grappling with in this book.

My explanation consists of two parts, one more general, one more specific. The general explanation is simple. Any ideology that breaks the hold a comprehensive system of thought has on the minds of men contributes to the liberation of man. Any ideology that makes man question inherited beliefs is an aid to enlightenment. A truth that reigns without checks and balances is a tyrant who must be overthrown, and any falsehood that can aid us in the overthrow of this tyrant is to be welcomed. It follows that seventeenth- and eighteenth-century science indeed *was* an instrument of liberation and enlightenment. It does not follow that science is bound to *remain* such an instrument. There is nothing inherent in science or in any other ideology that makes it *essentially* liberating. Ideologies can deteriorate and become stupid religions. Look at Marxism. And that the science of today is very different from the science of 1650 is evident at the most superficial glance.

For example, consider the role science now plays in education. Scientific “facts” are taught at a very early age and in the very same manner in which religious “facts” were taught only a century ago. There is no attempt to waken the critical abilities of the pupil so that he may be able to see things in perspective. At the universities the situation is even worse, for indoctrination is here carried out in a much more systematic manner. Criticism is not entirely absent. Society, for example, and its institutions, are criticised most severely and often most unfairly and this already at the elementary school level. But science is excepted from the criticism. In society at large the judgement of the scientist is received with the same reverence as

the judgement of bishops and cardinals was accepted not too long ago. The move towards “demythologization,” for example, is largely motivated by the wish to avoid any clash between Christianity and scientific ideas. If such a clash occurs, then science is certainly right and Christianity wrong. Pursue this investigation further and you will see that science has now become as oppressive as the ideologies it had once to fight. Do not be misled by the fact that today hardly anyone gets killed for joining a scientific heresy. This has nothing to do with science. It has something to do with the general quality of our civilization. Heretics in science are still made to suffer from the *most severe* sanctions this relatively tolerant civilization has to offer.

Revisiting Theorizing Globalization

Globalization is not a new period in human history. Indeed, it extends back many centuries and has several phases. The period of colonization (first phase of globalization); the formation of modern states and retention of “spheres of influence,” and military and economic alliances (second phase); the decolonization process (third phase) and the post-World Trade Organization (post-WTO) years (fourth phase) all have theories and concepts legitimizing them.

Globalization, however, has taken on several new elements in recent years. These are rooted in changes that have come along in different spheres of life both within and outside the national boundaries of states. Social science theories in general could not remain outside these developments. Basic premises and sites of analysis — including the *state* as the prime agent of development; *growth* as signifying social development; *natural resources* as infinite; and homogeneity of developing countries — that underlie different theories in economics, political science, and sociology have expanded in the context of globalization. As a result, economists do not apply only economic variables to understand global, regional, and national developments. Political scientists and international relations scholars do not rely on the state as the only instrument for explaining global, regional, or national developments. Sociologists no longer seek to understand society solely through the lens of

social features and legal experts do not limit their examination of legal regimes purely to a rule of law perspective. It is therefore not difficult to imagine how globalization has brought about a paradigmatic shift since the nineties. This paradigm shift cannot be explained in isolation. One has to consider the following:

- Growth has not brought about a betterment in the conditions of the population as a whole. The divide between the rich and the poor within and outside the boundaries of states has only increased and is challenging human security. It has also failed to prescribe any sustainable development model for all. (The Asian financial crisis serves to illustrate this point.)

- The role of financial institutions and donor agencies has strengthened in different issue areas

- Inequality in terms of opportunities and accessibility to resources (as the United Nations Development Programme's human development data evidences)

- Movements for the preservation of ethno-national and religious identities

- Movements for democracy

- Collapse of the socialist system (in East Europe and the former USSR)

- Forced migration and human rights crisis

- Conflicts over control of resources (for example, the Iraq War, South China Sea Crisis, Africa's ongoing crisis)

- Unsustainable development policy and environmental degradation (mostly in the poverty-struck Third World)

- Newer challenges of human security (such as the arms trade, narco trade and non-state actors, deadly diseases, and misuse of information technology)

It is not a chance exercise that the globalization era of the last century has addressed issues of development in terms of moral values, social evolution, and the role of states. The writings of scholars have thus addressed globalization from hitherto different dimensions. One may think of Fukuyama's *The End of History and the Last Man* (1992) alongside Huntington's *The Clash of Civilizations and the Remaking of World Order* (1996) or Kaplan's *The Coming of Anarchy: Shattering the Dreams of the post-Cold War* (2000) or Giddens' *The*

Consequences of Modernity (1990) against the backdrop of the abovementioned factors. Kaplan's observation that "the end of Cold War did not lead to the end of history, on the contrary, it ushered in a period in which international relations will be dominated by chaos" provides much scope for further research on policy and strategies to address globalization at different levels and in different issue areas. In this context, the scholarly writing of Arjun Appadurai (1996) has clearly made scholars, thinkers, policy-makers, and the business community seek more practical methods for facing the present phase of globalization.

Some Instructive Dialogues on Globalization

A. Globalization discourses have addressed the role of nation states. According to Scholte (1995), globalization, as a key feature of late modernity, is not eliminating nations, but only complicating the construction of collective identities. Meiksins-Wood (1997) emphasizes that the nation state may be losing some of its functions in the process of globalization but it is gaining new ones as the main conduit between capital and the global market. Rajni Kothari (1997), while discussing the role of the state, notes that the new framework of capitalism, based on a transition from the politico-military model of international management and domination to a techno-financial system of global integration with one overarching world market, has led to the erosion of the state-based structure of national and international interactions. One may also refer to Linda Weiss' observation (2005) that "in the process of globalization nation states have begun to assume a more active and strategic role contrary to the will that globalization is a constraining force on nation states restricting their freedoms and initiatives across the range of policy areas." We may make our own assessments of the divide between, and convergence of, ideas on globalization and the state among such scholars.

B. Scholars like Jagdish Bhagwati (2004) and Amartya Sen (1999; 2000) provide insights into governance in the period of globalization with the introduction of economic reforms focusing attention on basic developmental needs. Deepak Nayyar (1997)

points out that the game of globalization is still there but the rules are new. Earlier the game was dominated by imperial nation states; it is now transnational corporations (TNCs) and international banks that do so. Nation states are no longer the main economic players but they remain important political players.

Schuurman (2001) categorized globalization scholars into nine groups as follows:

1. *The True Globalists* (Martin Albrow, Partha Chatterjee, Manuel Castells). They advocate that there are major transformations going on in society, politics, and the economy and that these transformations are taking place on a global scale. These transformations do not form part of modernity, late-modernity, or post-modernity but indicate the coming of a new era of “globality.” They state that we still have to make use of concepts that come to us from the modern age and that are not adequate to describe the true nature of globalization.

2. *The Cyberspace Globalists* (Mike Featherstone). The microchip revolution ushered in the twenty-first century before the end of the twentieth century. The computer age has had such a profound effect on production, consumption, and interpersonal relations that, like the true globalists, the cyberspace globalists believe that major transformations are taking place. They are of the view that it is cyberspace that is going to be the major political, economic, and cultural arena for the new century.

3. *The Neo-liberal Globalists* (Kenichi Ohmae, Francis Fukuyama, John Naisbitt). For this group of authors globalization is also a process with an ontology of its own. It is the global spread of market logic, liberalism, and democracy. In general, the position is rather structuralist in the sense that globalization has an inner logic which cannot be stopped.

4. *The Cosmopolitanist/New-Age/Postmodernist/Culturalist Globalists* (Rajni, Kothari, David Korten, David Held). Here globalization is also a fact but it is primarily cultural in nature. Space and culture are delinked, and non-traditional identities are strengthened in the face of a threatening homogenization because of the onslaught of globally diffused information. Traditional identities are under threat, indigenous people are alienated from

their cultural heritage through the global movement of consumer capitalism. The globe is the political arena for a conglomerate of new social movements, indigenous movements, and environmentalist movements.

5. *The Hybridization Globalists* (Ulf Hannerz, Arjun Appadurai). These authors interpret globalization as a dialectical process where “the global” meets “the local.” This results in an increasingly hybrid praxis. Authenticity of culture (an anchor point in the previous position) is rejected. Culture is becoming increasingly hybrid.

6. *The Neo-Marxist Globalists* (Ellen Meiksins Wood, William Tabb). Their position is that globalization is a fact and it is capitalism gone global. It is time to get the classical Marxist analytical framework out of the cupboard because if there ever was a time for using scientific Marxism, it is now. These are the times of the purest form of capitalist logic no longer contaminated by the existence of “non-capitalist” modes of production or unequal exchange on the international market. Class struggle should be internationalized and, in fact, it is becoming just that.

7. *The Historical Globalists* (Paul Hirst, Grahame Thompson, Deepak Nayyar). Their position is that globalization is nothing new. The claim that it is new is fashionable and exaggerated. We have seen earlier periods with a tremendous amount of internationalization of money and trade. The international economy between 1870 and 1914 was hardly less integrated than today.

8. *The Non-Globalists* (Michael Mann). They insist that there is no such thing as globalization. At most there is regionalization but even that is not new. The whole globalization discourse is one without any ontological foundation. These critics tend to concentrate on the nation-state, which they still consider to be as important as it ever was. In this they differ radically from the globalists who tend to concentrate on the demise of the nation-state.

9. *The Diehard Modernists* (Ernest Laclau). The thesis here is that, contrary to what the true globalists assert, globalization is nearing its end. Since the Enlightenment modernity has spread itself to all corners of the earth, as a truly global process. Among other things, this has led to the Universal Declaration of Human Rights.

The feeling among the diehard modernists is that an increasing cultural relativism leads to a noticeable decline in modern universal norms and values. They see this cultural relativism as being fed by post-modernism, post-colonialism, a revival of fundamentalism, and a growing balkanization at the global level. This has led to a disturbing denial of international solidarity by the fragmentation of erstwhile universalized values and norms concerning human rights and emancipation.

These differing views illustrate that globalization and its prescriptions to govern are not uniform vis-à-vis states. This is also reflected in two significant reports (UNDP 1999; 2000). The UNCTAD has noted the negative effects of globalization on developing countries while the World Bank has proclaimed globalization the only way forward for the developing countries. The confusion and dilemma of understanding and interpreting globalization in terms of equality and equity is very clear.

C-1. A recent environmental issue concerning global trade practices is Brazil's banning of imported, re-treaded tires from the European Community (EC) on public health grounds, under GATT Article XX(b) (Measures Necessary to Protect Human, Animal or Plant Life or Health). Brazil argued that the disposed tires provide a breeding ground for disease-carrying mosquitoes, increasing the potential for dengue, yellow fever, and malaria, and that the import volume is already beyond the country's capacity for disposal in an environmentally responsible manner. In June 2007, a WTO panel ruled in favour of the European Community holding that Brazil's restriction was contrary to WTO rules as it allowed imports of the same product from its regional trade bloc partners. Brazil responded by declaring that there was substantial difference in disposing of 100,000 tires imported from Uruguay and doing the same for 80 million tires from the EU. Several environmental NGOs have defended Brazil's point. The final decision is yet to be taken.

C-2. The issue of maximum pesticide residue levels imposed by several developed nations is perceived by developing countries to be creating trade barriers. The matter has been brought before the Sanitary and Phytosanitary (SPS) Measures Committee of WTO by

a group of commodity exporting, developing countries led by Argentina who are urging for the establishment of common international standards by the Food and Agriculture Organization (FAO) of the United Nations, World Health Organization, and other entities.

C-3. The problems of migratory birds in the boreal forests and the paper industry have been an area of concern for conservationists and local communities.

C-4. To prevent over-fishing and other destructive fishing practices that may result in permanent damage to ocean ecosystems, a group of 125 international marine scientists appealed to WTO in May 2007 for a reduction of fisheries subsidies (estimated at US \$34 billion per annum globally). In a similar vein, the United States has sent a proposal to the WTO to impose a broad ban on subsidies which fishing nations extend to their marine fishery sectors. At the multilateral institutional level the FAO has laid out a set of “Guidelines For the Eco-labelling of Fish and Fishery Products from Marine Capture Fisheries” (2006) which has been designed for the purpose of certifying and promoting the labelling of products from well-managed marine capture fisheries. The goal is to focus on the issue of sustainable use of fishery resources. Apart from principles and approach, the Guidelines outline the procedural and institutional aspects of eco-labelling. The Guidelines are voluntary in nature, market-driven, and recognize the sovereign rights of states where balanced and fair participation by all interested parties have been provided for. The principles, *inter alia*, highlight the requirements of fair trade and competition, opportunity to enter international markets, and consistency with WTO Agreements. The terms and conditions as well as the procedures for accreditation and certification of fisheries, eco-labelling schemes, and institutional requirements are fairly detailed and require financial interventions and serious exercises in capacity building at different stakeholder levels in developing countries.

D. A report of the UN Secretary-General (2007) on the implementation status of the agreements reached at the International Conference on Financing for Development (2002) while taking a positive view of developing countries’

macroeconomic and fiscal management, expressed concerns about the significant increase in the total debt of developing countries as well as the lack of progress in reducing poverty levels and improving wealth distribution. The report noted that the current and projected levels of overseas development assistance (ODA) for the period 2006-2010 was far short of the targets established for achieving the Millennium Development Goals.

E. The process of development in South and Southeast Asia in the post-Cold War period has given rise to views both favouring and opposing globalization. The Asian financial crisis and an increase in social disturbances along with a surge in ethno-national and ethno-religious movements spurred strong antiglobalization sentiments. In an unpublished paper, Dr. Mahathir Mohamad (1996) criticized globalization “as an instrument of control and a conspiracy of western capitalists, international financial and regulatory institutions, governments and international non-governmental organizations.” South Asian scholars are also divided in their views of the top down globalization process which tries to reconcile unequal terms of trade within overall development policy. Those with an antiglobalization mind-set point to data on the South Asian development process and the fact that the fruits of globalization are basically enjoyed by the urban class and not the majority rural population. Moreover, participation of people in development planning is seen to be far from satisfactory.

F. Deprivation and injustice are commonly associated with globalization in South Asian societies. A brief discussion of the development dilemma in India will help to illustrate the opportunities and challenges of globalization and provide scope for further investigation and research in the identified issue areas. The challenges faced by India in its development process can be attributed to the fact it has followed an import-substitution industrialization (ISI) model of development since independence. A turning point came in the 1990s with the introduction of a New Economic Policy with an emphasis on export-led industrialization (ELI), leading to liberalization of trade. This is clearly a challenge in itself for a vast, multi-ethnic, multicultural country like India. The introduction of economic reforms in the 1990s therefore

encountered economic, political, social, ethnic, and environmental questions.

Some aching realities point to why there is a lot of talk of Karl Marx in the air these days – from Rush Limbaugh accusing Pope Francis of promoting “pure Marxism” to a *Washington Times* writer claiming that New York City Mayor Bill de Blasio is an “unrepentant Marxist.” But few people actually understand Marx’s trenchant critique of capitalism. Most people are vaguely aware of the radical economist’s prediction that capitalism would inevitably be replaced by communism, but they often misunderstand why he believed this to be true. And while Marx was wrong about some things, his writings (many of which pre-date the American Civil War) accurately predicted several aspects of contemporary capitalism, from the Great Recession to the iPhone 5S in your pocket. Here are five facts of life in 2014 that Marx’s analysis of capitalism correctly predicted more than a century ago:

1. The Great Recession (Capitalism’s Chaotic Nature)

The inherently chaotic, crisis-prone nature of capitalism was a key part of Marx’s writings. He argued that the relentless drive for profits would lead companies to mechanize their workplaces, producing more and more goods while squeezing workers’ wages until they could no longer purchase the products they created. Sure enough, modern historical events from the Great Depression to the dot-com bubble can be traced back to what Marx termed “fictitious capital” – financial instruments like stocks and credit-default swaps. We produce and produce until there is simply no one left to purchase our goods, no new markets, no new debts. The cycle is still playing out before our eyes: Broadly speaking, it’s what made the housing market crash in 2008. Decades of deepening inequality reduced incomes, which led more and more Americans to take on debt. When there were no subprime borrows left to scheme, the whole façade fell apart, just as Marx knew it would.

2. The iPhone 5S (Imaginary Appetites)

Marx warned that capitalism’s tendency to concentrate high value on essentially arbitrary products would, over time, lead to

what he called “a contriving and ever-calculating subservience to inhuman, sophisticated, unnatural and imaginary appetites.” It’s a harsh but accurate way of describing contemporary America, where we enjoy incredible luxury and yet are driven by a constant need for more and more *stuff* to buy. Consider the iPhone 5S you may own. Is it really that much better than the iPhone 5 you had last year, or the iPhone 4S a year before that? Is it a real need, or an invented one? While Chinese families fall sick with cancer from our e-waste, megacorporations are creating entire advertising campaigns around the idea that we should destroy perfectly good products for no reason. If Marx could see this kind of thing, he’d nod in recognition.

3. The IMF (The Globalization of Capitalism)

Marx’s ideas about overproduction led him to predict what is now called globalization – the spread of capitalism across the planet in search of new markets. “The need of a constantly expanding market for its products chases the bourgeoisie over the entire surface of the globe,” he wrote. “It must nestle everywhere, settle everywhere, establish connections everywhere.” While this may seem like an obvious point now, Marx wrote those words in 1848, when globalization was over a century away. And he wasn’t just right about what ended up happening in the late 20th century – he was right about why it happened: The relentless search for new markets and cheap labour, as well as the incessant demand for more natural resources, are beasts that demand constant feeding.

4. Walmart (Monopoly)

The classical theory of economics assumed that competition was natural and therefore self-sustaining. Marx, however, argued that market power would actually be centralized in large monopoly firms as businesses increasingly preyed upon each other. This might have struck his 19th-century readers as odd: As Richard Hofstadter writes, “Americans came to take it for granted that property would be widely diffused, that economic and political power would be decentralized.” It was only later, in the 20th century, that the trend Marx foresaw began to accelerate. Today, mom-and-pop shops

have been replaced by monolithic big-box stores like Walmart, small community banks have been replaced by global banks like J.P. Morgan Chase and small famers have been replaced by the likes of Archer Daniels Midland. The tech world, too, is already becoming centralized, with big corporations sucking up start-ups as fast as they can. Politicians give lip service to what minimal small-business lobby remains and prosecute the most violent of antitrust abuses – but for the most part, we know big business is here to stay.

5. Low Wages, Big Profits (The Reserve Army of Industrial Labour)

Marx believed that wages would be held down by a “reserve army of labour,” which he explained simply using classical economic techniques: Capitalists wish to pay as little as possible for labour, and this is easiest to do when there are too many workers floating around. Thus, after a recession, using a Marxist analysis, we would predict that high unemployment would keep wages stagnant as profits soared, because workers are too scared of unemployment to quit their terrible, exploitative jobs. And what do you know? No less an authority than the *Wall Street Journal* warns, “Lately, the U.S. recovery has been displaying some Marxian traits. Corporate profits are on a tear, and rising productivity has allowed companies to grow without doing much to reduce the vast ranks of the unemployed.” That’s because workers are terrified to leave their jobs and therefore lack bargaining power. It’s no surprise that the best time for equitable growth is during times of “full employment,” when unemployment is low and workers can threaten to take another job.

In sum, Marx was wrong about many things. Most of his writing focuses on a critique of capitalism rather than a proposal of what to replace it with – which left it open to misinterpretation by madmen like Stalin in the 20th century. But his work still shapes our world in a positive way as well. When he argued for a progressive income tax in the *Communist Manifesto*, no country had one. Now, there is scarcely a country without a progressive income tax, and it’s one small way that the U.S. tries to fight income inequality. Marx’s moral critique of capitalism and his keen insights into its inner workings and historical context are still worth paying attention to.

As Robert L. Heilbroner writes, “We turn to Marx, therefore, not because he is infallible, but because he is inescapable.” Today, in a world of both unheard-of wealth and abject poverty, where the richest 85 people have more wealth than the poorest 3 billion, the famous cry, “*Workers of the world unite; you have nothing to lose but your chains,*” has yet to lose its potency (See: <http://www.rollingstone.com/music/news/marx-was-right-five-surprising-ways-karl-marx-predicted-2014-20140130#ixzz3ECNDc4Z8>, accessed on 09/24’14).

Today, the “crisis” of globalization, as exemplified by the data above, remains the crisis of imperialism as Lenin theorized it: the development of the productive forces of capitalism beyond the limits of capitalist relations and its institutions including the nation-state (*Imperialism*). Capitalist militarism, the dismantling of the “democratic” (welfare) state, the crisis of national sovereignty,... all are symptoms of the material limit which capitalist relations of production now pose to the further development of the productive forces built by labour. But a material limit needs to be dealt with materially: it requires objective transformation. It is in this sense that globalization and its attendant crises should be understood neither as the occasion for an economic fatalism (Cheah, 2003), nor as the grounds for political voluntarism (as in Žižek’s (2002) speculative reading of Lenin), but as the basis for building a material force capable of using the state as a means to transform its dying relations. The task of postcolonial cultural theory—if it is to go beyond an ever more spiritual and spiritualizing bourgeois apologetics for a ruthless and brutal imperialism and become an effective agency toward social transformation—should be to abandon its class evasions and its “innocent dreams of a comparatively peaceful, comparatively conflictless, comparatively non-catastrophic” future (Lenin, “Introduction” 12) and, instead, side with the international proletariat and fight for a revolutionary future *free from exploitation*.

Class Science and Scientific Truth

I wish to underscore the fact that an understanding of Marxism does not provide a short-cut to understanding science. Dialectical materialism is not a magic philosophical key which unlocks the mysteries of science, allowing the dialectician to make judgements and criticisms on scientific matters. On the contrary, it arose from very definite material circumstances, as we have shown. The dialectics of the ancient Greeks was developed further by the German Idealists philosophers, particularly Hegel, to the drumbeat of the French Revolution of 1789, and a materialist dialectic was developed by Marx and Engels just before the European-wide revolutions of 1848.

To understand a science enough to make meaningful criticisms of it, a concrete, thorough, and indeed exhaustive understanding of the science in question is required. Yet various trends within the Marxist tradition, particularly Communist Party trends, have attacked quantum mechanics and Einstein's theory of relativity, which they believe is not materialist. These attacks continue today, with very scant attention given to a thorough understanding of the scientific nature of these theories.

I would like therefore to devote this complete chapter to discussing a single contradictory proposition. All science is class science, yet science also finds out real truths about the world. How do these two propositions fit together? How do you resolve that contradiction? First of all, you don't resolve contradictions. You certainly cannot perform any verbal construct which will remove that contradiction because contradictions in life are not resolved by intellectual formulas. The resolution of the contradiction between science as the growth of human knowledge and science as ideology of oppression comes only with political revolution. The break from radical philosophy to Marxist dialectical materialism is the recognition that contradictions aren't resolved by intellectual exercise. Rather, you recognize those contradictions, examine them, understand them, fight them, and participate in them.

I am going to deal with two false views that arise in discussing this question. One view would say that science is essentially

ideology; science is created by the bourgeoisie in order to befuddle the masses. Therefore, the intellectual content of science is irrelevant and what is important is its purpose, namely, as a weapon. Scientific theories are therefore essentially capricious. For example, the essence of Newtonian physics is to justify mercantile capitalism. This view discounts scientific knowledge and lays the groundwork for the various kinds of anti-scientific and mystical humanisms that have arisen at the present time as part of resentment against the oppressiveness of modern technology.

The second view is economic reductionism. It is exemplified in some of the works of Bonifati Kedrov, a leading Soviet theoretician, on the development of science. Kedrov's analysis is that science develops as the result of the interaction of two sets of factors. Note that we are already dealing with a factor theory. First, that science resolves the problems presented to it by society in order to meet the needs of society, and, second, that science does this only if its own internal logic is in the right condition.

Kedrov's two-factor model for the development of science is a polemic against the belief that you can simply assign a task to science and expect it to be fulfilled. It is therefore part of the struggle insisting upon the autonomy of science in the Soviet Union. Absent from this model is any consideration of classes, of class struggle. When Kedrov posits that science resolves the problems presented by society to meet the needs of society, he doesn't consider who presents what problems to whom, and what makes a need. For instance, he talks about the need for society to have cheaper sources of energy. He ignores the fact that individual capitalists now go out to beat each other; it wasn't a question of an energy shortage in the last century. It is a question not of inability to produce more, but of the unfolding of capitalist competition. So Kedrov has taken classes out of the picture and sees science as a logical unfolding--on the one hand of its internal logic, on the other hand of the needs of society.

This view of science doesn't hold in relation to evolutionary theory, to cosmology, or to the other important scientific theories. Science becomes linked to production at a particular point in its development. Science has had different social functions at different

periods. In the same way that there were court poets, there were court astronomers. This differs from science being used in the development of commodities, or in a systematic rationalization of particular social relations, which are some of its major social functions today.

Now, it's necessary to combat both of these major views on the nature of science, and particularly the view that science is simply the unfolding of knowledge. Kedrov recognizes that science is different in different countries, and he says the idiosyncrasies and historical traditions of each country will stamp a character on that science. However, these are cancelled out when you deal with universal science. So he visualizes world science as a whole relatively free of the historical circumstances of individual countries. It follows from this that good people all over the world will participate in an international, universal science and will meet as colleagues regardless of the political system from which they come; and that developing countries should strive to reach the level of advanced science as quickly as possible. Here is where we get into the political significance of these ideologies of science.

Science and Colonialism

First of all, science is part of bourgeois hegemony. In the colonial world, when the foreign occupying troops retreat, they leave behind their investments. When their investments are pulled out, they leave behind their advisors; when the advisors are kicked out, they leave behind the textbooks and beliefs. And then they offer scholarships to indoctrinate and train the rising scientific generation in their own way of looking at the world, as one of the last outposts of imperialist control. So the struggle for real national independence is partly a struggle for intellectual independence, the recognition that the relation between a developed and so-called developing country is not that between advanced and backward, but between different patterns of development. What is needed in third world countries seeking to develop their science are not catching up with the science of Western Europe and the United States, but making new departures--going a different direction in the social

organization of science, in the way it sets problems, in the methodology.

Increasingly, we're recognizing these differences in many of the intimate details of the ways science is carried out. A scientific style sometimes has nothing to do with the nature of the problem but rather with the social conditions operative in the scientific community. For example, in order to study the growth of plants, you can put them into a controlled temperature chamber. You automatically regulate the light, the temperature, the humidity, and you have sensors every six inches detecting what's going on; then you put different plants into different chambers and see how they grow. Technically that's incredibly difficult to do. And so in your own country you can sit back and look at Madison, Wisconsin, where they have such a machine, and drool and say one day you'll have one too. Or you can say: in different parts of our country there are many kinds of different conditions. We can study the growth of plants under different conditions by taking what we have and watching it closely.

Or perhaps we'd like to study the patterns of wind. How do you do it? You can put up anemometers and measure the wind and get records for fifteen or twenty years. But you can also ask people who work with wind. Fernando Boytel, a Cuban meteorologist, in his book on the wind map of Oriente, describes how you can learn from different people in different trades. It's not just saying science can learn from people in the abstract. Charcoal makers work with wind. If the wind shifts they can lose their charcoal; it turns to ash. People who install windmills on ranches for pumping water work with wind. They have another kind of knowledge. So the task of the scientist as presented by Boytel is recognizing the ways that different people in Cuban society relate to wind. How do they perceive it and how can we learn from them?

That does not mean passively accepting all these judgments either. It's a question of integrating all of the abstract knowledge that you can get studying physics with the practical detail and very rich knowledge of people in their own crafts and lives. So the intellectual liberation from the norms of bourgeois science is important in order to make science possible in a developing

country, and not to feel deprived in relation to the “big science” that you’re trying to emulate.

Science as Part of Culture

Bourgeois science is a way of making the real scene appear necessary, by saying it’s determined by objective conditions. Those who work in the field of decision theory and in departments of policy at major universities claim that they are developing objective ways of reaching decisions so that these decisions will not be influenced by politics. Therefore, they argue, it is part of a process of democratization. It’s a profoundly anti-democratic way of approaching the world in spite of the fact that science’s own self-description is that it’s democratic because there is a marketplace of ideas.

Furthermore, at the present time in the international radical Marxist movement, one form of revisionism is to cut Marxism down to size from a completely different way of looking at the world to an alternative social program. It’s a very attractive thing to do because we can then say to our colleagues at the faculty club: “You and I have our differences of opinion--pass the olives, please--but we’re really basically similar. We’re philosophers, you’re philosophers. Marxism respects science and philosophy. It’s just that we have a slightly different program. We would like to serve the poor.” Cutting Marxism down to a form of humanistic liberalism requires cutting Engels out of the club. It means saying we’re not really challenging the world view but only the particular social program.

Finally, in Brecht’s essay, “Five Difficulties in Writing the Truth,” he points out that when it’s not possible to confront the regime directly, one can at least teach a different way of looking at the world. Nazi ideology was strongly anti-intellectual. It’s enough to talk about the creativity of thought. Nazi ideology was saying that human nature determines society. Talk about comparative anthropology. Brecht was saying that an understanding of the world is part of the culture of the people. This is one of the ways of fighting bourgeois ideology on all fronts, even if the particular

things you're studying are not obviously and directly political. In the same way, questions of art, literature and poetry have become part of the common culture of the left, things to debate about. Questions of science, our understanding of the whole world, are also part of the struggle to win an intellectual liberation.

Class Science and Scientific Insight

When we say that all science is class science, which is not equivalent to saying that all scientific claims are lies. Class science can give powerful and valid insights into the world but within certain boundaries and restrictions. I'd like to give you several examples of how this operates. Let's start with Euclidean geometry, which you study in high school. The Pythagoreans represented one of the most reactionary classes of Greek society, the landed slave holders. They were concerned about the growth of trade and the movements of populations. The world was falling to pieces. It was therefore appealing to them intellectually to say that the important things in the world do not change. Study those things that cannot be contaminated by physical objects, that are not tied to time and place; find the eternal truths. And these are the abstract figures--the line, the point, the triangle.

Furthermore, because the Pythagoreans were slave owners and had contempt for the labour process, the rules of procedure in geometry could not smell like work. You have all had the problem: construct with straight edge and compass a triangle equal to another triangle. The rule is completely capricious and arbitrary. You can't use a protractor, other kinds of instruments or tables. This fit into the intellectual needs of the Pythagoreans.

Now this approach yielded great insights into geometric figures. The geometric figure is important later on for the study of other kinds of mathematics and physics. When you get beyond the whole spirit of Pythagorean mathematics, some of their results--not all of them--carry over. Much higher plane geometry consists of exquisite theorems which lead nowhere but are beautiful. And if you really get into the spirit of it, it can be a lot of fun. For example, all the medians of a triangle meet at a point, all the altitudes meet at a

point, and all the angle bisectors meet at a point. Furthermore, these three points line up in a straight line. You have to go through a very elaborate process to prove this, and as far as I know that result has never been used to lead anywhere else, but it is beautiful.

So the Pythagoreans developed a geometry which has real insights into the real world, but also has certain restrictions. It will not look at aspects of nature because the important things are abstract structures. What they do not consider is as important as what they look at. Furthermore, they come across classic problems of impossibility. The two classical problems which proved unsolvable in the ancient world were trisecting the angle and squaring the circle. There is no rule of construction by which the angle can be trisected, whereas it can be divided into two equal parts. This was a terrible problem for the Pythagoreans. The world seemed to be incomplete and unsatisfactory. In fact, you can trisect the angle easily. Measure the angle, divide by three, measure again and draw a line. Within the framework of Pythagorean geometry, this was impossibility. Within another framework it is trivial.

It is the framework which reflects the ideology and the class position. The results of the Pythagorean theorem that $A^2 + B^2 = C^2$ became the starting point for analytic geometry. Nevertheless, analytic geometry is a negation of Euclidean geometry. Analytic geometry starts out by saying: Let's locate our objects in coordinates. We can then do all sorts of algebraic manipulations which make the Euclidean proofs much easier and which also reveal new domains of problems. Objects become different. You no longer need to work only with straight lines; you can work with curves. Later on, the curves can be irregular. So a new dimension opens up. The history of mathematics seems like a step-by-step progression, but, in fact, the whole philosophy of analytic geometry was different. Advances in mathematics involve both a continuation and negation of the previous kind.

Newtonian Physics

Newtonian physics posits that the object of interest, the problem, is the movement of masses from one place to another. What makes this the central problem of scientists in the Newtonian period is that mercantile capitalism is less concerned with transforming things than obtaining them from one place and selling them elsewhere. But the people who live there may not like it, so the other problem is ballistics. Newtonian physics can solve problems of motion quite well. So Newtonian physics is not a lie as far as its equations describe the movement of objects. It is a lie when it says that the important things about the world are changes in position of objects which themselves are not changing.

Newton stated as one of his laws: Bodies at rest remain at rest and bodies at motion continue at motion in the same direction and velocity unless impinged on by an outside force. Taken literally, Newton was describing mechanical objects. That's okay within his framework. Extended to a view of the world, it is a very important part of the bourgeois epistemology. What it says is that the world would be fine if there weren't outside agitators. Stability is the natural state of the world, and if change occurs, that's puzzling, strange and ominous and has to be accounted for. This is very different then from the viewpoint of dialectical materialism, which says that things are the way they are because of a temporary balance of opposing forces; that therefore the stability of objects is something to be accounted for, and change is what we expect. Stability becomes a special case of motion rather than motion becoming an anomaly in a static world.

Time and Space

Newtonian physics does something else as well. It externalizes time. Time becomes a coordinate with which to measure things; it's taken away from the events that are taking place in time. This timelessness is important in order to do physics. You simply name it, "Time 1" and "Time 2," without saying anything else about what's happening. This fits in well with the bourgeois world

outlook because, in the production process, the labourer has been separated from the product and sells only labour time. This abstract time is bought and sold, and that is what is being watched. As David Biggans showed in his paper, "Doing Time under Capitalism," many of the early labour battles concerned who kept the clocks. Finally you have a system in which time becomes separated from events; it becomes measured separately as an object of interest. So the Newtonian mechanics, which solves real problems and gives us a more profound insight into the movement of objects in the physical world, is also congenial to a world outlook in which class relations have changed. That accounts for part of the tremendous power that it had in reshaping thinking.

The Newtonian mechanical approach to the world also did something else. In physics, if you're interested in the movement of objects, you can represent them on a graph. You draw coordinates to measure distance east to west and distance up and down, and locate something within these coordinates. Then you say that sometime later the object is someplace else; it's here and it moves. You develop a good mathematical apparatus for studying how it moves. Once developed, however, it raises the question: Can other things be thought about as if they were moving? We can talk about social relations as rank, as if one person were higher than another, and we visualize it in space. Or we can have lines to represent inventory and employment. Soon you can locate or see how things are changing by using the metaphor "things are moving." Each axis represents a different gas--oxygen, carbon dioxide, nitrogen and neon. Oops, there are too many axes. So mathematicians come back and say it really doesn't matter. We can take the idea of dimension and extend it into another domain. Gradually abstractions coming from the insights of physics have been extended to other areas, sometimes legitimately and sometimes illegitimately. This is one of the characteristics of science: often scientific results give insights into domains far beyond those for which they were developed. How come? Is it just luck? Why do certain things keep popping up in very different domains?

Similarity and Difference

I think the reason is the strong interconnections in the world. Things are similar, linked, related to each other by development in such a way that understanding a process in one domain can give insight into a process in another domain. And the further we get away from the particular local details, the more profound the insights and the greater the possibility of getting insight into other domains. But there is a contradiction to this process. Things are similar but different. The relation between the two--the contradiction between the similarities and differences of objects--has played an important role in the development of science. If things were totally different, there could be no way of studying the unknown by using the known. If things were all similar, study wouldn't be necessary because it would be self-evident. So it's because things are both similar and different that science is both necessary and possible. How you relate the similarities and differences will depend very much on your class view of what kinds of similarities seem to be real and important, and what kinds of things are unlikely to occur because they don't correspond to your world outlook.

The relationship between bourgeois science and bourgeois ideology is, firstly, that science is informed by bourgeois ideology. Bourgeois ideology sets the problems, defines good solutions, says which objects should be used in solving the problem, how to talk about it, and when to quit. But then the conclusions of science feed back upon bourgeois ideology. Science interprets, abstracts, generalizes and otherwise assists in the interaction of the ruling class and those who are ruled. Science provides physical and intellectual tools to solve problems posed by the ruling class. On the one hand, science helps form and tests its results against the common sense of the ruling class and, on the other hand, helps form the common sense of the ruling class. If a result of science is congenial to the ideology of the ruling class, it quickly becomes incorporated into the common sense of the culture. However, if the result is contradictory to that ideology, it is isolated, co-opted or misunderstood.

Evolution

The Newtonian view of time, congenial to the bourgeoisie, fit into the common sense very quickly. The notion of evolution, however, was discomfiting. Biologists since the time of Darwin have been attempting to study evolution without recognizing change. The pioneer in this was August Weismann. Weismann saw that the world is changing, that animals now are different from those of the past, but he recognized change only on the surface. What's really happening, he stated, is that the same unchanging objects (which he called the germ plasm and which now we call genes) are reshuffled. So the appearance of change is there but reality is unchanging. A recent theory of evolution does the same thing. It starts with the facts that animals are all different and populations are fluctuating but seeks to understand this by finding what is truly unchanging and stable. The solution proposed is that evolution is merely the changing proportions of genes in the populations. No matter what the animals look like or what they do or where they live, it's really secondary.

Thus there are many intellectual manoeuvres by which one can take a scientific result and yet not really assimilate it. Similarly, the anti-theological implications of evolution are not fully assimilated into thinking. Especially since the historic compromise of science with bourgeois rule, science won the right to free inquiry within its domain in return for not rocking the boat. Science is not to extend those implications which are more revolutionary beyond the narrow technical domain for which they were developed.

Dialectical Materialism

The reason for our choice of dialectical materialism is that it arises in the context of the development of bourgeois science. Like other areas of scientific inquiry, it first studied a particular domain. The insights of dialectical materialism came out of the study of class struggle and human society, the domain where contradictions are most sharp. There the insights appeared which can then give greater insights into other domains where perhaps they are less obvious. So

from the class point of view--happened by class struggle--we also get insights into the workings of the most general processes of structure, complexity, change, transformation, interconnection and so forth, which can then be extended and tested elsewhere.

Dialectical materialism shares with bourgeois science several properties which were important in the struggle against feudal obscurantism: the challenge to authority and the demand for evidence; the need for independent testing and judgment; the belief that knowledge is not self-evident and requires work; and the awareness that intellectual detours are sometimes necessary to solve problems. In that sense, the early socialists prided themselves in having a scientific view. Dialectical materialism is, at the same time, fundamentally different from science as it developed with the bourgeois revolution. It is located not in the ruling class but in the challenging class. It does not depend on elite geniuses getting insights into the mysteries of the universe but rather sees science as a struggle of a rising class to better understand and control its world. Because it wants to overturn the existing order, change becomes the central object of interest. In other words, dialectical materialism has relatively little to say about being but a helluva lot about becoming. That is the object of concern. Our most powerful insights lie there. By this logic, we challenge the notions of Newton that things at rest remain at rest, and favour dynamic views which envision more intimate kinds of interaction.

The Law of the Excluded Middle

Bourgeois science rests on certain logical propositions. For example, formal logic books state the law of the excluded middle: things are either A or B but not both. How do we deal with this? One way is to say that those categories are irrelevant. It can be said that, in fact, you cannot divide the world into things that are mutually exclusive. But that is not quite true. Hummingbirds and scorpions are quite distinct from each other. What is true is that you cannot divide any system completely into objects which are mutually exclusive and yet not trivial. You can divide it into classes of things which are mutually exclusive by saying, for example: Let's

consider all animals as one set and nothingness, the absence of animals, as something else. It's a verbal game that doesn't get you very far. My proposition is that in the real world there's no way of dividing things up into categories which are simultaneously relevant, complete, mutually exclusive and non-trivial. As intellectual abstracts you can do it. Let A be a set of objects and let B be everything that isn't A. So what?

Thus it is a proposition about the real world, rather than about formal logic--thou shalt not divide the world into mutually exclusive, complete categories at the pain of making tremendous errors. When biologists talk about dividing the world into the organism and the environment, we have to reply that there is a very intimate interpenetration of organism and environment. Organisms transform their environment, they define their environment, they create environments, and they are environments for each other. Each part of the organism is environment for other parts, and so on. By looking at the interpenetration of these objects we get a much more profound understanding of the world than by making a separation.

Interaction is a grudging admission that the world is really connected. The idea of interaction is that things have a common influence on each other as factors but do not influence each other very much. Interaction is a partial accommodation to the observation of interconnections. Mortality in the United States, for example, is 50 percent lifestyle, 28 percent environment, another percentage medical, and so on. By breaking the totality down and assigning statistical weights bourgeois science accommodates to the fact of interconnection in the world, but without really accepting it as an essential feature of the world. The paradigm is still: isolate something as much as possible; break it into its smallest parts; change things one at a time; and when you cannot help it, bring in interconnection in interactional terms. Hence statistics in bourgeois science speak of second-order effects, third-order effects, and so on.

The Social and the Biological

So I think that Engels was far too optimistic in saying that science, in spite of itself, is becoming dialectical. It's kicking and screaming all along the way, making grudging recognition of those things that it cannot avoid. But the issues of interconnection are becoming increasingly political issues.

Interconnection, when we look at medical problems, means the inseparability of the social and the biological. Traditional epidemiology says that the cause of a particular disease is a particular kind of bacterium. Bacteria get into people through the water or air. Traditional epidemiology then gives an equation. If this is the number of people and this is the chance of being exposed to the bacteria; and if exposed, this is the probability that the bacteria can grow in lung tissue; and if they grow in lung tissue, this is the probability that you don't have resistance; a formula can be developed for a rate of epidemic. The equation makes it look as if traditional epidemiology is talking about nature. But each of the numbers put into the equation is also a social event. What determines the likelihood that your lungs come in contact with a particular bacteria? It depends on crowding, housing conditions, and whether you're traveling long distances in cattle cars to work. It depends on urban air conditions as well as meteorological conditions. There are social aspects of resistance, too. Resistance is determined in part by what has been breathed in the past. We know that nutrition is important to disease resistance, and trauma also. After a while we realize that it's not a question of saying that there's a biological sphere and a social sphere and then finding their connections. Rather, the same objects are simultaneously biological and social; they are bacteriological entities at the same time as they are class entities. We always have to treat them from both perspectives in order to understand the dynamics of the system.

Environmental Struggles

In dealing with an environmental struggle, we face the same issues. The corporation officials urging factory expansion want to

examine the environmental impact in the narrowest possible way. Can you prove that the dust from our factory is, in fact, going to kill children? Contrariwise, those opposing the company must argue that its actions have multiple effects. You don't know what will happen when chemicals spill out onto the limestone. Limestone is full of potholes. The chemicals may end up in the drinking water. The factory will kill plants; it will cause a decline in agriculture. The factory's wastes will affect fishermen. If the mangroves are cleared in order to build a wharf, the egrets won't have a proper place to nest; they, in turn, eat insects in the pastures. This means that the cattle farmers will have to use more insecticides. And so on.

As you trace the battle over any environmental issue, it is clear that the left is demanding a more complete understanding of the whole system while the right wants the problem narrowed to the technical detail. So the dialectical proposition--that the world is richly interconnected and must be treated as a whole system with contradictory aspects--becomes a hot political issue rather than simply a debating point in philosophy seminars. The same would be true of other propositions of dialectical materialism.

The Battle around Science

Scientists and people working around science and politics within a capitalist society are living within two different ideological worlds. We are living within the world of bourgeois science and ideology which sets our problems and determines, to some extent, the agenda of science. At the same time, we are part of a revolutionary movement which says that's bullshit. Bourgeois science is evading the interconnection of things, refusing to take into account what must not be ignored.

The battle, therefore, for dialectical materialism is both an abstract one involving the most profound differences about the way in which the universe is viewed and also one of very practical politics. We get into the battle of planning health services, utilizing natural resources, studying impact on the environment, problems of conservation. All of these are battles in which self-conscious Marxist understanding becomes essential for an independent

position. In the developing countries, it is a struggle for a different science, which is intellectually independent and geared to the needs of the new society. But in a world in which science is intellectually dominated by the bourgeoisie, it becomes necessary to confront bourgeois theory, to transform, negate, use and battle against it. And that's what creates the richness of the panorama we're in, the battle around science: being in, but not of, bourgeois science, battling from the inside but only on the condition that we have space outside. Otherwise it is impossible. It's idealist to say that we are going to transform science and make it dialectical. In fact, our commitment is to produce not a better differential topology but rather the power of the working class.

Discussion

Is science literally class science or do interpretations of scientific knowledge differ because the knowledge is seen through the filters of different ideologies? Is it possible that some scientific knowledge can be incorrect or incomplete because it derives from methodology that is limited by a particular ideology?

This essential question proposes an alternative model of science which says that science gets objective knowledge about the world by interacting with the world; however, this objective search for knowledge is distorted, blinded or inhibited by class perspective. If so, the truth of science comes from its being free of class; its falsehood comes from the biases of class. Therefore, the task becomes to peel off the class skin over an objective, rational kernel. I would say, in opposition, that both the falsehoods and truths of science are class-determined. Only by defining some sort of mystical body of science can we have a separate zone, an ideal creation which is the objective part of science as distinct from its zone of class science. Class position is the negation not of objectivity, but its mode of operation. At the same time, the lies, short-sightedness and narrowness come from class position as well. This is true even of a rising class. So the dichotomy that reactionary classes have lies about nature while progressive classes have truths about nature is not completely true. Precisely that class which is

most desperately struggling to solve the immediate, urgent and pressing needs of the people will also be most impatient with theoretical detours that seem to postpone these needs.

Therefore, class viewpoint is intrinsic to all intellectual processes. That by itself does not guarantee that something is either true or false. When we talk about the state of a science, we have to talk about not only its positive propositions about the world but also what it is silent about. The pattern of ignorance is as much a product of the science as the specific knowledge. We see most strongly the biases of class viewpoint in the pattern of knowledge and ignorance. This is true, for example, in epidemiology, agriculture and pest control. What is defined as out-of-bounds or irrelevant is an intrinsic part of the ideology of that science. So I think that the notion of science simply as a list of positive results is misleading.

We must seek to develop a better knowledge of our world in order to improve our conscious praxis. Can one of the panellists suggest more precise steps in the process of problem-solving? Shouldn't we start by clarifying the empirical data, looking for laws of average and regularity, and proceed toward the formulation of laws and interconnections that can describe the actual process?

It's a tricky business to set up laws about scientific method. They have a spurious universality that doesn't work. Dialectical materialism does teach us what to be suspicious of at the beginning. For instance, one starting-point is to ask why this scientific problem is being posed. Why do we want to solve it; how did it get on the agenda of science? Whose question is it? Many of the questions about the hereditary basis of behavioural differences between human races were put onto the agenda of science by racists. We know the history and political content of this branch of science. It's always important to see where a problem comes from before we decide whether it's a real problem and what to do with it.

Secondly, it's a good rule of thumb to assume that things are far more transitory than they appear, and what seems to be universal probably is not. Find out the areas or aspects in which it is not universal.

Third, what is it connected to? As against the bourgeois paradigm that isolates the question as much as possible, a lot of us brainstorm as far afield as possible. What possible connection might there be between this object of study and others of your concerns? We get into fantasies that have to be discarded later but it's less prone to error than the assumption that things are unrelated until proven otherwise.

Fourth, talk to people who are affected by the problem. They will always have a more sensitive knowledge and will make more subtle distinctions than the academic description. In that process be ready to learn, but not necessarily to believe everything. For instance, Fernando Boytel found the peasants in one part of Cuba believed that trees sometimes grow toward the wind rather than away from the wind. What he found is that they grow away from the wind but toward the light, and growing toward the light might overrule the wind advantage. So you enter into dialectic with the knowledge of the people in which you integrate theoretical knowledge obtained from scientific praxis with the detailed, intimate knowledge of the masses of people who have direct interactions with a concern for those objects of study.

Fifth, which intellectual tools are needed for resolving a problem, and why? You have to ask, are we doing this with an ultra-high-speed, super-duper blinkatron because the company has a salesman at this university or is it that it is really the best way of getting the knowledge we want?

We challenge what science does because it's a social process in which the self-evident truths of science are the shared biases of that community. The rules of scientific objectivity in testing are adequate for filtering out the random errors that separate individual scientists, but not for picking up the shared biases of their class position. So always be suspicious, look at things as broadly as possible, and then be sceptical of the results.

Conclusions

Imperialism is not about to disappear in the 21st century. Nor are its apologists tired of their intellectual support. The theoretical

advance made by Marxist-Leninist analysis of the growth of monopoly capitalism resulting in the rise of modern imperialism has to be carried forward to take stock of the new developments in the last two decades of the 20th century. An important phenomenon is the highly mobile international finance capital which shifts from one part of the world to the other in search of quick profits. This international flow of capital is a major factor for the intensified exploitation of the third world and also the high rates of unemployment prevailing in the advanced capitalist countries. The harmful consequences of speculative financial flows are being witnessed currently in the currency crisis which has gripped the South-East countries which are held up as a “model” for the third world to follow.

In the absence of a countervailing socialist bloc, imperialism is on the offensive to “roll back” the limited economic sovereignty of the third world. The IMF, World Bank and WTO being the trinity which holds the lesser developed countries to ransom to impose the policies of neo-liberalisation. A hallmark of capitalism in the late 20th century is that it has gone back on the welfare capitalism which it touted as a humane system which led to the theories of convergence between capitalism and socialism. Neither is the capitalism of the contemporary era able to eliminate high unemployment rates leave alone provide full employment. It is this twin attack of dismantling the welfare system and inflicting high unemployment which is meeting with resistance and the intensification of the class struggle.

One of the main factors discrediting Marxism-Leninism is supposed to be the irrelevance of class struggle and the central role of the working class. The argument is that under the rubric of globalization, the internationalization of capital and the growing might of the TNCs, the structural changes under capitalism have marginalized the working class and made class struggles ineffective within a nation-state. This myth found increasing adherence after the setbacks to socialism. The recent period has provided enough evidence to challenge these false premises fostered in the name of globalization. The strike struggles of the French workers in the winter of 1995 and the 1996 general strike of the South Korean

workers have graphically illustrated the existence and vitality of class struggle and punctured the myths built up about the nature of late 20th century capitalism.

For those who doubt the capability of the working class and the relevance of class struggle against capitalism, the recent spate of working class struggles in Europe, Latin America and Asia should be an adequate warning. These struggles, though of a defensive nature are the centre-piece of the emerging worldwide resistance to the new offensive of capitalism. No other class or intermediate strata have shown even remotely the same capacity. The political impact of these struggles are already being felt in some of the countries of Europe and Latin America. In India, one of the biggest “emerging markets” targeted by the IMF and the World Bank, there were four one day general strikes by the Indian working class between 1991 and 1995 which drew in sections of the peasantry and other working people.

In order to probe and analyse the multi-layered contradictions of any phenomenon like corporate global imperialism, we need to apply the principle of historical totalizing: connecting spheres of culture, ideology, and politics to the overarching structure of production and reproduction. This is axiomatic for any historical-materialist critique. Consequently, the question of cultural identity cannot be mechanically divorced from the historically determinate mode of production and attendant social relations of any given socioeconomic formation. What is the point of eulogizing hybrid, cyborg-esque, nomadic global citizens—even fluid, ambivalent “subject positions” if you like—when the majority of these postmodernized creatures are dying of hunger, curable epidemics, diseases and psychosomatic illnesses brought about precisely by the predatory encroachment of globalizing transnational corporations, mostly based in the U.S. and Western Europe? But it is not just academic postmodernists suffering from the virus of pragmatist metaphysics who apologize for profit-making globalization. Even a latterly repentant World Bank expert, Joseph Stiglitz, could submit in his well-known *Globalization and Its Discontents*, the following ideological plea: “Foreign aid, another aspect of the globalized world, for all its faults still has brought benefits to millions, often in

ways that have almost gone unnoticed: guerrillas in the Philippines were provided jobs by a World Bank financed-project as they laid down their arms” (Stiglitz 420). Any one slightly familiar with the Cold War policies of Washington vis-à-vis a neocolony like the Philippines knows that World Bank funds were then used by the U.S. Pentagon to suppress the Communist Party-led peasant rebellion in the 1950s against the iniquitous semi-feudal system and corrupt comprador regime (Doty; Constantino). It is globalization utilized to maintain direct coercive U.S. domination of the Philippines at a crucial conjuncture when the Korean War was mutating into the Vietnam War, all designed to contain “World Communism” (China, Soviet Union). Up to now, despite nationalist gains in the last decade, the Philippine government plays host every year to thousands of U.S. “Special Forces” purportedly training Filipino troops in the war against “terrorism”—that is, against anti-imperialist forces like the Communist Party-led New People’s Army and progressive elements of the Moro Islamic National Liberation Front and the Moro National Liberation Front (International Peace Mission).

One needs to repeat again that the present world system, as Hugo Radice argues, remains “both global and national”, a contingent and contradictory process (4). Globalization dialectically negates and affirms national entities—pseudo-nations as well as those peoples struggling for various forms of national sovereignty. While a universal “free market” promoted by TNC triumphalism is deemed to be homogenizing and centralizing in effect, abolishing independent states/nationalities, and creating a global public sphere through juxtaposition, syncretic amalgamation, and so on, one perceives a counter-current of fragmentation, increasing asymmetry, unbridgeable inequalities, and particularistic challenges to neoliberal integration—including fundamentalist political Islam, eco-terrorism, drugs, migration, and other movements of “barbarians at the gates” (Schaeffer). Is it a question of mere human rights in representation and life-style, or actual dignity and justice in the everyday lives of whole populations with singular life-forms? Articulating these historical contradictions without theorizing the concept of crisis in capital accumulation will only lead to the short-circuiting

transculturalism of Ashcroft and other ideologies waging battle for supremacy/hegemony over “popular common sense” imposing meaning/order/significance on the whole globalization process (Rupert).

Indeed, academic inquirers of globalization are protagonists in this unfolding drama of universalization under duress. One may pose the following questions as a heuristic pedagogical manoeuvre: Can globalized capital truly universalize the world and bring freedom and prosperity to everyone, as its celebrants claim? Globalization as the transnationalized domination of capital exposes its historical limit in the deepening class inequality in a polarized, segregated and policed world. While surplus-value extraction in the international labour market remains basic to the logic of accumulation, the ideology of neoliberal transnationalism has evolved into the discourse of war on terrorism (“extremism”) rationalized as “the clash of civilizations.” Contradictions and its temporary resolutions constitute the imperialist project of eliding the crisis of unilateral globalism.

A historical-materialist critique should seek to highlight the political economy of this recolonizing strategy operating in the fierce competition of the ruling classes of the U.S., Japan, and Europe to impose hegemonic control in an increasingly boundary-destroying space and continue the neo-colonial oppression of the rest of the world. What is needed is a radical critique of the ideology of technological determinism and its associated apologetics of the “civilizing mission”, the evangelism of “pre-emptive” intervention in the name of Realpolitik “democracy” against resistance by workers, peasants, women, indigenous communities (in Latin America, Africa, the Philippines and elsewhere [see Houghton and Bell; San Juan, “U.S. Imperial Terror”]), and all the excluded and marginalized peoples of the planet.

Beyond descriptions and articulations, the controversy culminates on how change is to be carried out. Reacting to Eric Hobsbawm’s historical account of globalization which ignores social movements, Michael Denning calls for a transnational cultural studies that will “narrate an account of globalization that speaks not just of an abstract market with buyers and sellers, or

even of an abstract commodification with producers and consumers, but of actors” (28). On the other hand, Teresa Ebert asserts that globalization deals with production and labour, with the “struggle over the structured inequality in the world economy” (6); thus, the vehicles of change are the producers, creators of value. Where do we situate, for example, the BangsaMoro (in the Philippines) struggle for dignity and justice in these conceptualizations? (Or the struggles of the Nepalis led by the Communist Party of Nepal, the Bolivarian revolutionary communities in Venezuela, the guerrillas in Colombia, not to mention the Zapatistas in Mexico and the New People’s Army in the Philippines?) I agree with Denning that actors should be discovered and recognized, but are these actors the prefigurative communities that Jameson had in mind, abstract forms without content or relational substance? I agree with Ebert on the overarching narrative of globalization as the struggle over structured inequality manifest in the unequal division of international labour, registering acutely the movement of contradictions in our historical period.

In my view, this narrative of socialist internationalism represents a “critical universality” of liberation of humans from all forms of oppression, a universality that unfolds in various specific theatres and stages around the world, with their concrete historical specificities (Lowy). One such theatre is the Moro revolutionary struggle in the Philippines, a predicament embodying global/local antagonisms in which (to modify Jameson) “the truth of experience no longer coincides with the place in which it takes place” but implicates everyone from the centre to the periphery, in various gradations of responsibility (“Cognitive Mapping” 349). The official representation of the Abu Sayyaf as a terrorist phenomenon that tarnishes the legitimate struggle of Muslims in the Philippines for self-determination, for example, functions as a symptom of the crisis of corporate globalization evidenced in the current U.S. wars against people of colour, a crisis of the capitalist process of accumulation (exploitation of labouring masses), revealing its irreversible contradictions and, in the process, intimating where and how the possibility of its overcoming can be realized. As Arundhati

Roy eloquently voiced it early in this new millennium: what we need to sharpen is a new politics, “not the politics of governance [as “third way” liberals and reformist NGOs call for], but the politics of resistance, [...] of opposition. The politics of forcing accountability [...] In the present circumstances, I’d say that the only thing worth globalizing is dissent [...] joining hands across the world and preventing certain destruction” (467).

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Contemporary social science is a product of the capitalist world-system and Eurocentrism is constitutive of the geoculture of this system characterized by the parochiality of its universalism, assumptions about the superiority of Western civilization and imposition as the sole theory of global progress. The creation of these structures of knowledge, specifically the institutionalization of the social sciences, is a phenomenon that is inextricably linked to the very formation and maturation of Europe's capitalist world system or imperialism. There is therefore nothing that is natural, logical, or accidental about the institutionalization of the social sciences. These Europeanized structures of knowledge are imposed ways of producing knowledge of the world. This Eurocentrism of social science has justifiably come under increasingly vigorous scrutiny, especially in the period since 1945 with the formal decolonization of Africa, Asia, and much of the Caribbean. This book forcefully argues that if social science is to make any progress in the twenty-first century, it must overcome its Eurocentric heritage that has distorted social analyses and its capacity to deal with the problems of the contemporary world and embrace other non-Western funds of knowledge production.

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